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30 April 2024

Amicorp FS (UK) Plc
(‘AMIF’, the ‘Company’ or the ‘Group’)

Final Results

Maiden Final Results - FY23 delivers positive revenue development and strategic progress

Amicorp FS (UK) Plc, the international specialist fund services group, is pleased to report its audited final results for the year ended 31 December 2023 ('FY23' or the 'year').

FY23 Financial Highlights

- Total revenue increased by 7.6% to US\$12.8 million (FY22: US\$11.9 million), largely driven by a 60.3% increase in revenues by the Governance and Compliance Services division to US\$1.3 million (FY22: US\$0.8 million)
- Gross profit of US\$8.8 million, equivalent to a 68.8% margin
- Adjusted EBITDA¹ of US\$1.9 million, representing a 14.7% margin
- EBITDA of US\$0.9 million, after offsetting the one-time exceptional IPO expenses of US\$1.0 million

FY23 Strategic Highlights

- Successful IPO on the Main Market of the London Stock Exchange on 8 June 2023, alongside a placing of new Ordinary Shares raising US\$6.5 million before expenses and a placing of existing Ordinary Shares of US\$9.7 million
- Successful completion of the demerger of Amicorp Luxembourg S.A., leading to the formation of Amicorp Fund Services Luxembourg S.A. and allowing for an operational expansion in this strategically important fund services market
- Completion of share transfer of Amicorp Fund Services (Mumbai) Private Limited which became a wholly owned subsidiary of the Group.
Investment of US\$222k in future growth, through expanding its sales force by c.50% and undertaking automation projects to accelerate growth in 2024 and beyond

FY23 Operational Highlights

- The number of funds grew by 13% with AMIF's client base reaching 501² funds (FY22: 444² funds), laying a solid foundation for the future growth of Fund Administration
- Opening of Brazil office at the start of 2023 following receipt of regulatory approval
- Undergoing application process for fund administration licenses in the Dubai International Financial Centre ('DIFC') and Astana International Financial Centre ('AIFC')
- Development of Governance and Compliance Services to expand the Group's offerings including ESG and corporate governance support
- Expansion of Business Process Outsourcing ('BPO') Services to include VC back office offering

¹ Adjusted EBITDA is calculated by removing exceptional IPO related costs from the Group's EBITDA.

² FY23: 501 funds of which 297 are active. FY22: 444 funds of which 274 are active.

Commenting on the FY23 Results, Toine Knipping, Non-Executive Chairman of AMIF, said:

“Following our successful move to the London Stock Exchange in June 2023, I am pleased to report on progress across the business for our maiden set of full year results. During the past twelve months, AMIF achieved a number of important strategic milestones, including continued geographic expansion with new office opened in Brazil, completion of demerger in Luxembourg and application for licences to operate in Dubai and Astana.

“A 13% increase in the number of funds under administration led to continued revenue growth and laid a solid foundation for future advancement, as the outsourcing of fund management services by asset managers continues to gather pace as a result of increasing regulatory requirements.

“The use of funds for investment purposes is another important positive trend for our business and AMIF is ideally placed to benefit with our ability to provide a full suite of administration services across multiple jurisdictions.

“In addition to supportive regulatory tailwinds and the expansion of the asset management industry, AMIF offers prospective clients a scalable operating platform, benefitting from significant recent investment and an established brand with a track record of managing risk.”

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Notes to Editors

AMIF is an international specialist fund services group that works with a broad mix of clients including institutional investors, fund managers (private equity, venture capital and hedge funds) as well as family offices to provide a suite of specialist services across global markets. AMIF provides local and global expertise to over 500 funds.

AMIF provides a comprehensive and tailored range of services which are all underpinned by market-recognised technology solutions that support clients from a single point of contact.

These include:

- **Fund Administration and Investor Services:** Fund accounting, fund administration, in-house NAV calculation, investor services including Register & Transfer Agency services, booking of subscriptions & redemptions, audit liaison/support, real time oversight over investment performance.
- **Governance and Compliance Services:** FATCA and CRS reporting services, Fiduciary, Anti-Money Laundering (AML) officer services in compliance with international rules and regulations including administrative support to the Board and Committees of the Board.
- **BPO Services:** Simplifying accounting and administration services through automated accounting processes and providing management insight into business operations through regular and consistent management reporting.

For further information please visit www.amicorp-funds.com/chairmans-welcome/

Chairman's Statement

Overview

I am pleased to introduce AMIF's maiden final results to stakeholders following the Company's listing on the London Stock Exchange in June 2023.

During the past 15 years, our management team have built a specialist fund services provider to the asset management industry. AMIF is well positioned in its markets with a strongly diversified mix of customers, services and geographies, to provide a 'one-stop-shop' for clients, who typically require reoccurring services over a period of years.

AMIF has a clear strategy for growth specifically in emerging markets with significant expansion opportunities amongst its current client base and an opportunity to tap into larger funds via its existing network. The growth prospects are underpinned by a scalable operating platform that has seen significant recent investment.

Results overview

Following its IPO, AMIF has continued its operational and revenue development, driven by consistent organic growth and increased diversification. The Group's Governance and Compliance Services division has shown improvement in FY23 revenue to US\$1.3 million in FY23 (FY22: US\$0.8 million), which represents growth of 60.3%.

The trend of asset managers and fund providers outsourcing back-office functions has continued as a result of escalating compliance requirements and rising staff costs. With AMIF's proven track record, comprehensive fund administration services, and extensive knowledge of regulatory landscapes across various regions, particularly in emerging markets, the Group is well-positioned to capture market share in this environment.

Moreover, an increasing number of family offices, multinational companies and investors are looking to structure their cross-border investments through fund structures, therefore leading to more diversified opportunities for the Group,

AMIF remains committed to innovation and substantial investment in its business, ensuring the Group's operational platform can support AMIF's expansion goals. This strategic approach will facilitate the rollout of our systems and processes to a broader client base, driving higher operating margins and reinforcing our capital-light business model.

Stakeholder engagement

AMIF is committed to keeping its shareholders and potential investors informed through timely updates. To ensure that all existing and future stakeholders are able to track the Group's progress and obtain updates as soon as available, we encourage registration to AMIF's alert service via the Group's investor relations website.

Board composition and governance

There are no changes to the Board since the Group's listing in 2023, comprising a balance of three Executive and three Non-Executive Directors who bring the required range of skills and experience to support AMIF's strategic objectives. AMIF has adopted the principles of the Quoted Companies Alliance Code for corporate governance and established both Audit and Remunerations committees.

Dividend policy

AMIF intends to adopt a stable dividend policy that will seek to maximise shareholder value and reflect its strong earnings potential and cash flow characteristics, while allowing it to retain sufficient capital to fund ongoing operating requirements and to invest in the Group's long-term growth.

There is currently no fixed ratio on dividend pay-out but this is something the Board will consider as AMIF grows.

Outlook for the Group

The outlook for the markets in which we operate remains positive. Asset managers are experiencing an environment with multiple challenges, including increasing volatility, fee compression, rising costs and technological change.

In the face of these challenges, an increasing number of managers and family offices are looking to outsource their fund administration services to a specialist provider with the ability to roll out a suite of services to multiple funds with minimal incremental cost drag.

As fund managers outsource middle and back office functions due to increasingly complex compliance requirements and inflationary staff costs, it is logical to find fund administration providers that have already invested in their technology and risk platforms, who can provide services that can accommodate the latest changes in their jurisdiction.

AMIF provides a wide suite of services across LatAm, Europe and MEAI, meaning our business can act as one-stop shop for fund managers that need services across fund administration, governance and compliance and business process outsourcing.

AMIF is well-positioned to act as an acquirer of choice in the fragmented fund services market, given its size, comprehensive range of services, and established track record. The Board is optimistic about the outlook for the Group.

Toine Knipping
Chairman

30 April 2024

Chief Executive Officer’s Report

Introduction

2023 was a transformative year for AMIF highlighted by the Group’s progress in generating continued organic revenue growth as well as its successful IPO on the London Stock Exchange, which marked a new chapter in the Group’s corporate development and established a strong platform for the future growth of AMIF.

Overview

In FY23, AMIF has successfully driven its operational performance agenda which has seen the Group expanding its sales team to boost organic growth and extending its services into ESG and ERM, which supports the accelerated growth from the Governance and Compliance Services division.

AMIF has also expanded its BPO Services division into portfolio administration and other back-office services to become a one-stop solution provider for all reporting needs to investment managers globally.

Listing rationale

London retains its status as the world’s leading market for financial services and the Board believes that the Group’s listing on the London Stock Exchange in 2023 provided AMIF with the platform and direct access to capital markets and wider investor communities to enable the Group to expand its business globally. This was a significant milestone for AMIF which will aid the Group’s expansion plans and provide new investors with the opportunity to participate in AMIF’s growth story.

It will also enable the Group to take full advantage of the continued growth in the outsourcing of fund administration services due to diversification within the asset management industry and increasing regulatory and compliance requirements.

Fundraising and use of IPO proceeds

The placing that accompanied AMIF’s IPO raised US\$16.2 million before expenses, of which US\$6.5 million was raised to enable the Group to take advantage of continued growth in the outsourcing of fund administration services, which has arisen as a result of diversification in the asset management industry and increasing regulatory and compliance requirements. The Board is pleased with the decision to list, which has already led to an increase in the number of inbound enquiries due to AMIF’s enhanced profile and status as a publicly listed company.

The table below shows an update on use of net IPO proceeds, after deducting placing and admission expenses of US\$800k:

Anticipated use of proceeds	Current update
IT expenses related to automation process, including licensing fee and consultancy fee (US\$1 million)	US\$90k deployed towards development of digital onboarding portal and NAV automation (refer to Investment in IT section)
Depository lite licence in Luxembourg; (US\$1 million)	Demerger completed, creating the condition to start the licensing application of depository lite license (refer to Licence Development section)

Expansion of Governance and Compliance services (US\$1 million)	US\$114k deployed towards expansion of team and development of ESG services (refer to Growth Plans section)
Setting up licensed fund administration in strategic markets (US\$1 million)	The Republic of Ireland was researched as a possible new jurisdiction but after careful appraisals the board decided to redirect focus to emerging markets including UAE and Kazakhstan (refer to Licence Development section)
Expansion of sales team in strategic locations (US\$1.7 million)	US\$222k deployed towards increase in salesforce (refer to Maintaining Global Footprint section)

Market expansion

Maintaining global footprint

AMIF stated at the time of its IPO that an important aspect of the Group's organic growth strategy was to expand its service offering amongst current clients and maximise market outreach. The business has spent over 15 years establishing itself as the provider of a full suite of fund services across multiple jurisdictions and has built strong foundations for further growth.

AMIF has a diverse client base spanning international jurisdictions that are either traditional fund domiciles or areas where frequent investment and investment management activities are observed. To effectively cater to its clientele, AMIF currently operates in 14 strategic locations worldwide, covering all major time zones across MEAI, Europe and LATAM.

The expansion within existing offices is vital to building a robust pipeline for future organic growth. As committed during the IPO, part of the proceeds have been deployed towards the expansion of salesforce in Singapore, Hong Kong, Dubai and Brazil, resulting in a circa 50% increase in sales team from 12 individuals in 2022 to 18 as at 31 December 2023. While such investment in human capital has put temporary pressure on short-term profitability, the Group regularly reviews its investment strategies and closely monitors its results, in order to achieve long-term sustainable growth and future competitiveness.

The success of AMIF's global footprint is also attributable to its centralised operation office setup. Through its operation offices in Mauritius and India, the Group has access to a diverse talent pool, multicultural teams and multilingual support to provide round-the-clock services. The Group secures its core competitive advantage in terms of scalability and flexibility to adjust operations based on business needs, seasonal demands, and growth opportunities.

In December 2023, the shares of Amicorp Fund Services (Mumbai) Private Limited, which were held on trust by Amicorp Group for AMIF, were successfully transferred to the Group pursuant to the approval granted by the relevant authority of India. This allows AMIF to exercise contractual control over the independent operation of one of its key operation offices.

Licence development

Brazil

In early 2023, AFS Brazil LTDA became operational after receiving approval from the CVM to provide fiduciary investment fund administration services. This license enables AFS Brazil LTDA to manage private equity funds (FIP), a rapidly growing segment in the local investment fund sector over the past decade. The first half of 2023 saw significant efforts to establish Amicorp

Fund Services as a FIP administrator in Brazil, marked by a major event attended by CVM officials, investment managers, law firms, and strategic partners. Such efforts continued throughout the rest of 2023 to attract business and opportunities.

Luxembourg

In November 2023, AMIF announced the successful formation of Amicorp Fund Services Luxembourg S.A. pursuant to CSSF approval on the demerger of Amicorp Luxembourg S.A., which will allow for an expansion of the Group's operations in the largest investment funds centre in Europe and the second largest in the world after the United States. Luxembourg is a worldwide leader in cross-border fund distribution and has continued to develop its reputation as a centre for a large variety of investment structures and funds.

The de-merger involved the separation of the fund administration element of AMIF's existing jurisdictional licence, held within the Amicorp Group, thereby creating the conditions for AMIF to apply for an additional depositary lite licence that will complement the Group's administration business with enhanced services and revenue opportunities.

A depositary lite licence allows for the provision of a number of services including cash flow monitoring, safekeeping of assets and ongoing oversight, and will enable the Group to further strengthen its presence, collaborating with complementary service providers such as AIFMs and legal firms, to expand the Group's reach to new prospects, allowing to drive a significant increase in revenue generating opportunities.

UAE

The asset management industry in GCC and UAE are both growing at a tremendous speed. In particular, the DIFC has become one of the major financial centres in the region where global family offices, asset managers and institutional investors from Europe and Asia have a significant presence. The Group has been administering funds managed by asset managers and family offices based there since 2021. As AMIF's client base continues to grow in UAE, it has become strategically important to have a local presence. In March 2023, the Group started the application process for a Category 4 license in DIFC which would allow for provision of fund administration services to DIFC established funds. The application process is on track, and AMIF expects to update the market in H1 2024 on its progress.

Other strategic markets

AMIF continually assesses and pursues a range of expansion opportunities. These plans had included a fund administration licence application in the Republic of Ireland, but due to a change in market dynamics the Group has decided to look at other opportunities that will represent a better return for shareholders. AMIF's appraisals of the viability of other jurisdictions have identified opportunities in fast-growing emerging markets including AIFC in Kazakhstan and also in Saudi Arabia. The application in AIFC commenced in late 2023 and is now at an advanced stage and the Group expects to update the market in H1 2024 on its progress.

Growth plans

AMIF is expanding across all its key markets as part of a plan to accelerate its growth ambitions, both organically and through mergers and acquisitions.

Organically, the Group will continue to provide a comprehensive and tailored range of services - including fund set up and structuring, fund administration, investor services, assurance and governance services all of which are underpinned by market-leading technology solutions that support our clients across the value chain, from a single point of contact.

The growing complexity in regulatory and reporting demands presents opportunities for its Governance and Compliance business, prompting plans to expand services into areas such as ESG and ERM, aiming to become a leading provider in these fields. A major portion of IPO

proceeds were set aside for this purpose, to develop new product and service offering, increase marketability and build up a team of experienced and qualified officers.

In 2023, the Group invested into the development of an online AML/CFT e-learning tool, targeting all the directors, officers and employees who are associated with a Cayman Islands fund or investment management company. The tool was launched in March 2024 and can be subscribed to as an additional revenue stream under the Group's G&C business.

Investment in IT

The Group has always been committed to rolling out automated and innovative digital solutions that deliver greater operational and cost-saving efficiencies for fund managers, and equip them with the data and insights they need to be compliant and make better informed decisions on their investments.

Following the Group's listing, AMIF used certain of the IPO proceeds to start the development of a cloud-based onboarding platform which streamlines the onboarding of investors for fund managers, ensures key information is more accessible, accurate and secure, and better connects the people that matter when it comes to administering their fund.

AMI-GO was launched in March 2024, as the new platform developed in-house that provides fund managers with a centralised source of information about their funds and their investors, allowing them to retrieve and upload financial, corporate and legal documents – such as Subscription forms, Source of Fund declarations and KYC and/or AML records. This tool opens up direct lines of communication between fund managers, investors and their Amicorp Fund Services team.

In parallel, the Group continued its NAV automation process within its existing IT system, as the enhancement of system capability and use of advanced technology play a crucial role to the operational and financial success of the Group.

In FY23, each operational staff member managed an average of seven and a half funds, but with improved IT systems, this is expected to rise to eleven funds per person by FY25E. This efficiency enhancement could lead to significant cost savings and drive the growth of gross profit margins, as staff costs are a major expense for AMIF, accounting for 56.0% of total revenue in FY23.

Inorganic growth

AMIF's business development is primarily driven by organic growth, with its sales teams in MEAI, Europe, and LATAM playing a crucial role. Moving forward, the Group is expected to continue this trajectory, simultaneously seeking suitable targets for M&A to bolster its growth.

The Group's strategy for inorganic growth through acquisitions is centred on several key objectives:

1. **Enhancing Incremental EBITDA:** Targeting acquisitions that will contribute positively to the Group's EBITDA.
2. **Expanding Sales and License Networks:** Acquiring entities that will expand AMIF's sales and license networks, thereby increasing its market reach and capabilities.
3. **Acquiring Skilled Personnel:** Focusing on targets that can bring in skilled workers, particularly in sales and operations, to strengthen AMIF's workforce.
4. **Adding Economies of Scale:** Integrating acquisitions that can bring economies of scale to AMIF's current operational model, improving cost-efficiency.
5. **Strengthening Service Delivery Platform:** Enhancing AMIF's existing service delivery platform, both in terms of efficiency and in the scope and quality of services offered.
6. **Extending Client Base:** Seeking acquisitions that will allow AMIF to expand its client base, contributing to long-term growth and market diversification.

For future acquisitions, AMIF will strategically select targets that align with these objectives, ensuring that each acquisition is a step towards enhancing its market position, operational efficiency, and overall profitability. Its immediate focus is to identify opportunities that can expand its client base, strengthen its sales and license networks, and facilitate entry into new markets.

Financial Performance Overview

The Group benefits from stable and non-cyclical revenue streams, largely attributed to ongoing contracts with both open-ended and closed-ended fund clients. Open-ended fund clients offer perpetual contractual relationships, with their longevity contingent on avoiding substantial redemptions. In contrast, closed-ended fund clients typically engage in fixed-term investments with possible extensions (e.g., an initial three-year term with options for a three-year and a further one-year extension, or other durations as outlined in the fund's PPM). The usual duration of these closed-ended fund contracts ranges from five to seven years.

Revenue for the Group is primarily derived from fees based on a percentage of AUM, subject to a minimum fee threshold. Alternatively, it can be a combination of a fixed minimum fee plus a variable component also based on AUM.

Consistent Recurring Revenues

AMIF's revenue is characterised by its predictability and regularity, underpinned by strong client retention. The Group's role as a fund administrator affords it up-to-date financial insights on its clients, which aids in reducing the risk of unpaid fees.

Cashflow visibility

To comply with AML and KYC regulations in various jurisdictions, the Group, in its role as fund administrator, holds significant control over clients' bank accounts, either as the sole or joint signatory. This control extends to treasury management, where the Group manages and approves payments to entities like asset managers, legal advisors, auditors, custodians, and other service providers. This management of fund accounts not only limits bad debt but also enhances AMIF's cash flow visibility and management, crucial for meeting financial obligations. The Group's approach to client service is marked by transparency, especially regarding fees, which minimises disputes over charges.

Automation and improvement of profit margin

Since establishing a fund administration team in Bangalore in 2007, AMIF has focused on automating operations and improving efficiency. This has allowed the Group to manage an increasing number of funds without a significant rise in costs, thus maintaining or improving profit margins. Despite almost doubling the number of fund clients from 284 in 2020 to 501 in 2023, the Group's direct costs have only increased by around 23.8%. This economy is attributed to continuous technological advancements and partnerships, essential for our scalability and further operational efficiency.

Client development

Client retention

AMIF's fund clients and client structures typically have a lifespan of between five to ten years. Due to the nature of the Group's business, it is difficult for its clients to replace service providers such as the Group once they have been engaged for fund administration services. Transferring services to another provider involves time-consuming legal and administrative processes and additional costs for funds.

Diversification of client base

The Group has significant diversification of revenue from over 500 fund clients and client structures. Except for the Group's arrangement with Amicorp Group pursuant to the Intragroup Outsourcing Agreement, there is no concentration on revenue and the Group's top ten fund clients and structures have remained below 10% of revenue for each of the last four years.

Cash position

As at the end of 2023, AMIF had circa US\$3 million cash in hand whilst remaining debt free. The successful IPO on the London Stock Exchange in June 2023 raised over US\$6.4 million of fresh capital for AMIF. The Group has already started to allocate the proceeds from listing towards IT investments and business developments. This includes expanding the sales team, obtaining new licences and expanding the Group's Governance and Compliance services division.

People/workforce/employees

Senior management change

In December 2023, the Group appointed Robin Hoekjan, a Dutch national with more than a decade of fund industry expertise, as Chief Operating Officer, a non-Board position.

Having started his career as a Derivatives Trader in a proprietary trading firm at the Amsterdam Stock Exchange, Robin subsequently ascended through various roles in fund management firms, encompassing portfolio management and deal making in listed securities, private equity, and venture capital. Transitioning to the fund service sector, he has worked in Amsterdam, Luxembourg, London, and Dubai, as well as occupying several management positions within Intertrust Group and TMF Group, including Head of Depositary, Head of Fund Services, and Global Head of Onboarding and Investor AML/KYC.

Robin is expected to contribute to the continuous enhancement of efficiency across the global offices of the Group. His experience and expertise will drive operation efficiency and IT advancement, aiming to equip the Group and its operational team to handle larger mandates. Pursuant to Robin's appointment, Kiran Kumar will remain in his position as Executive Director of AMIF, but has shifted his focus towards the development and promotion of the Group's key new business initiatives, particularly the accounting and back-office support services given his significant background in accounting and finance.

Outlook

Subsequent to the year end of FY23, the Group has continued to grow the number of funds under administration with a total of 30 new wins as of the date of this report.

The Group is poised to benefit from converting its pipeline of funds into active funds, with an emphasis on appreciating the potential launch rate and acknowledging the lag in revenue conversion. This transformation will be bolstered by AMIF's ongoing expansion into new geographies, particularly with revenues starting to flow from previous investments in regions like Mexico, UAE, Luxembourg, Hong Kong and Singapore.

Although it has put temporary pressure on short-term profitability, the Group regularly reviews its strategies and closely monitors its results, in order to achieve long-term sustainable growth and future competitiveness.

In addition, there is an expectation of growth in revenues from ancillary services driven by global regulatory updates. The aim is to establish the Group as a leading provider of these services and a comprehensive solution for AMIF's clients, which will be further enhanced by any additional acquisitions. These strategic moves and growth areas give the Board confidence in the recovery of margins.

Over the next twelve months, the Group also intends to expand its portfolio of value-added services. A key aspect of this plan is to offer CFO and CFO assist services to clients within the current BPO framework. The goal is to elevate existing service contracts from basic bookkeeping and accounting to more comprehensive management reporting and CFO assist services, and to extend these enhanced services to new external clients including but not limited to asset or fund managers, family offices and investment entities.

Operationally, the Group is transitioning towards automating its fund administration processes. Utilising some of the IPO proceeds, the Group invested into the development of AMI-GO, an automated self-onboarding tool for fund manager and investor. Followed by its successful launch in March 2024, AMI-GO is expected to streamline operations, improve compliance, enhance communication, and contribute to a positive user experience, ultimately benefiting both the Group and its clients. Alongside this, the Group is continually evaluating its IT infrastructure to identify further opportunities for technology integration to enhance operational efficiency.

Chi Kin Lai
Chief Executive Officer
30 April 2024

Financial Review

Key Performance Indicators (KPIs)

The Group uses a number of both IFRS and non-IFRS KPIs to measure its performance. The Group operates a framework whereby the same KPIs are monitored throughout the business – be that at divisional or jurisdictional level. These KPIs used may not be directly comparable with similarly titled measures used by other companies.

The Group constantly reviews its management information and KPIs to ensure that the Board has adequate and appropriate oversights of the business. The Group also plans to introduce necessary non-financial KPIs in FY24.

IFRS KPIs

Revenue and segment results are reviewed by the Group on a regular basis to assess performance. These are assessed at a Group, divisional and jurisdictional level. These KPIs are monitored against budgets and targets. For details of IFRS KPIs, please refer to the Financial Overview section.

Non-IFRS KPIs

The principal non-IFRS KPIs that the Directors believe have had, and will continue to have, a material effect on its operations, results and financial condition include:

- Client base;
- Payroll and remuneration costs as a percentage of revenue; and
- Operational efficiency.

Client Base

	FY23	FY22
Number of funds at start of year	444	393
New funds	104	105
Funds terminated	(47)	(54)
Number of funds at year end	501	444

The number of funds administered is impacted by the ability of the Group and its sales officers to obtain new fund clients. The Group has been partially reliant on receiving new client introduction and work referrals from Amicorp Group and its affiliated businesses, and from the Group's established referral relationships with on-shore and off-shore legal advisers, asset management businesses, independent advisors and consultants, accounting firms and other professional intermediaries.

Over the course of 2023, the total number of funds has grown organically at an annualised rate of 12.8% from 444 on 1 January 2023 to 501 on 31 December 2023, laying a solid foundation for the future growth of Fund Administration.

While the number of new wins was comparable to 2022, the Group has experienced similar level of terminations in 2023 arising from the continuous effects of the following factors:

- Withdrawal of investors' commitment or investment owing to unfavourable market conditions;
- Voluntary closure of funds due to restructuring or changes in investment strategy; and
- Cancellation because of difference in risk appetite.

It is also important to note that a major portion of recurring income from fund administration services is only realised upon successful fund launch. The timing of fund launch is influenced by

external factors like fund raising capability of fund managers, approval process of relevant authorities, economic conditions and market sentiment. 297 out of 501 funds were active as at 31 December 2023, representing an 8.4% increase as compared to 274 active funds as at 31 December 2022.

Payroll and remuneration costs as a percentage of revenue

The largest expense incurred by the Group relates to payroll and remuneration costs, which comprise of salaries and wages and discretionary bonuses that are paid to staff that meet their respective targets.

The Group monitors payroll and remuneration costs as a percentage of revenue, with the historical trend as follows:

	FY23 US\$'000	FY22 US\$'000
Payroll and remuneration costs	7,178	5,397
Revenue	12,814	11,909
Payroll and remuneration costs as a percentage of revenue	56.0%	45.3%

Payroll and remuneration costs increased by US\$1.8 million, or 33.0%, to US\$7.2 million in FY23, compared to US\$5.4 million in FY22.

The major incremental payroll and remuneration costs represents the Group's increased investment in sales employees to enhance its outreach to potential customers in strategic locations including Hong Kong, Curacao, Chile, Mexico and Brazil. The Group's operation team was also strengthened to provide adequate workforce, capability, and expertise to cope with new business opportunities arising from the continuous sales and marketing efforts, together with local fiscal, tax, and economic reforms.

The expansion in these offices is vital to building a pipeline for future organic growth. As committed during the IPO and in line with the adopted business strategies, such investment in human capital is expected to continue in 2024. Although it has put temporary pressure on short-term probability, the Group regularly reviews its strategies and closely monitors its results, in order to achieve long-term sustainable growth and future competitiveness.

Operational efficiency

Operational efficiency is another key metric the Group regularly reviews in order to maximise resource utilisation and drive down costs. The Group has policies in place where it is mandatory for client facing and back office employees (together, 'Operational Employees') to submit timesheets on a weekly basis so that the Group can better monitor employees' time spent on standard tasks.

The Group measures operational efficiency of its Fund Administration division by computing the number of funds handled by each Operational Employee under that division ('Fund Operational Employee'):

	FY23	FY22
Number of funds	501	444
Number of Fund Operational Employees	67	61
Number of funds per Operational Employee	7.5	7.3

The number of funds handled by each Operational Employee has increased slightly from 7.3 in 2022 to 7.5 in 2023. Such improvement represents the result of the Group's efforts in standardisation of workflow, system automation and enhancement of operation process.

The Group believes that the successful maintenance of such level of operational efficiency is essential to display the scalable characteristic of its business model. It also lays the foundation for AMIF to execute its organic and inorganic growth strategies.

Group Income Statement for the Year Ended 31 December

	2023	2022¹
	US\$'000	US\$'000
Revenue	12,814	11,909
Payroll and remuneration costs	(7,178)	(5,397)
Rent and occupancy	(430)	(783)
Professional fees	(1,068)	(356)
IT expenses	(657)	(547)
IPO expenses	(952)	(906)
Foreign currency gain	5	28
Other operating expenses	(1,607)	(692)
EBITDA	927	3,256
Other gains	-	38
Interest income	99	-
Finance costs	(89)	(39)
Depreciation on tangible assets	(284)	(128)
Profit before income tax	653	3,127
Income tax expense	(667)	(829)
Net (loss) / profit for the year	(14)	2,298

¹ These comparative figures were extracted from the historical financial information published in the Group's prospectus dated 5 June 2023. Reconciliations from these historical financial information to the IFRS comparatives are presented in Reconciliations of Comparatives after the primary financial statements.

Adjusted EBITDA

The EBITDA figures shown above includes IPO costs which are deemed to be extraordinary. By excluding these, the management believes that the adjusted EBITDA could precisely reflect the performance of the Group's ordinary business operation, as shown below:

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Reported EBITDA	927	3,256
IPO costs	952	906
Adjusted EBITDA	1,879	4,162
Adjusted EBITDA margins	14.7%	34.9%

The Group experienced a decline in adjusted EBITDA margins in FY23 reflecting the significant investment being made in both the sales and operation teams. This continuous process is

fundamental to driving sustained long-term growth and creating future opportunities for the Group.

Post-listing expenses

Included in EBITDA and adjusted EBITDA, the Group incurred post-listing expenses amount to US\$943k which represent one-time or recurring expenses arising from listing obligations which was dependent on successful admission. Examples of post-listing expenses include the carved-out subscription to certain IT systems such as finance and accounting systems, Microsoft licenses and hosting services.

Effective from Admission, the Group also incurred additional expenses such as statutory listing fee, professional indemnity insurance which were previously covered by Amicorp Group, as well as the engagements of ongoing professional advisers for listing rule compliance.

These expenses are expected to continue in medium to long term. Their impact on profitability are believed to be compensated by the long-term benefits arising from the IPO, as described in the Chief Executive's Statement above.

Revenue

Revenue by operating segments

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Fund administration	7,927	7,823
Governance and compliance	1,305	814
Business process outsourcing	3,582	3,272
Total	12,814	11,909

Revenue in FY23 increased by 7.6% to US\$12.8 million (FY22: US\$11.9 million), which was contributed by:

- Fund Administration revenue increased by 1.3% to reach US\$7.9 million in FY23 (FY22: US\$7.8 million). Despite the increase in the net number of funds as compared to 2022, the Group was partly affected by investors redeeming or withdrawing interest in operating funds, reduced investor transaction activities and closed funds vulnerable to uncertain market conditions. Fund launches also slowed down due to challenges in fund raising amid global inflation and interest rate staying at an uncomfortably high level. However, the Group continued to prove its strength in client retention and stability of recurring revenue from its diversified client base.
- Governance and Compliance Services revenue increased by 60.3% to US\$1.3 million in FY23 (FY22: US\$0.8 million), which is in line with the increase in AML officer and directorship mandates to 400+ in FY23 from 300+ mandates in FY22, predominantly associated with the Group's fund clients domiciled in the Cayman Islands and Luxembourg. The growth in FY23 was a result of multi-directional efforts in securing the mandates from existing customers under the enhanced regulatory environment and a well-defined revenue model, which relies on a packaged service fee that covers the defined minimum statutory requirements for each mandate, plus a variable time-spent fee for value-added services to fulfil the relevant fiduciary responsibilities. The Group has been engaging in proactive marketing of this business line, intending to widen the service offerings and create value for its clients.

- Business Process Outsourcing Services revenue experienced an increase of 9.5% to US\$3.6 million in FY23 (FY22: US\$3.3 million). In Luxembourg, the Group boasts a well-equipped corporate services infrastructure, positioning itself as a reliable one-stop solution for comprehensive fund structure formation and ongoing administrative support. The sales team is specifically directed to capitalise on opportunities in Luxembourg that combine both fund administration and corporate services. Alongside with the growing revenue from corporate services from external client entities, the revenue from the Intragroup Outsourcing Agreement with Amicorp Group picked up in the second half of 2023, benefitting from the increased client base followed by the efficiency transformation campaign to enhance operational synergy between its Business Process Outsourcing and Fund Administration teams.

Revenue by geography

The following table summarises the revenue by geography for the year ended 31 December 2022 and 2023:

	FY23	FY22
	US\$'000	US\$'000
LATAM	2,446	2,027
Europe	3,211	2,920
MEAI ¹	7,157	6,962
	<u>12,814</u>	<u>11,909</u>

¹ MEAI refers to geographical region of Middle East, Asia and India.

The Group has experienced a welcome diversification of its revenues, from MEAI to Europe. Such movement is in line with the Group's expectation and helps supports the long-term business goal by reducing the impact of short-term market volatility, allowing the Group's portfolio to benefit from the growth potential of different geographic regions over time and reducing country specific risks, individual sector challenges and everyday competitive pressures.

Divisional Performance Review

For the year ended 31 December 2023 ('FY23')

	Fund Administration US\$'000	Business Process Outsourcing US\$'000	Governance and Compliance US\$'000	Total US\$'000
Revenue	7,927	3,582	1,305	12,814
Direct staff costs	(2,710)	(254)	(478)	(3,442)
Other direct costs	(553)	-	-	(553)
Gross profit	4,664	3,328	827	8,819
Gross profit margins	58.8%	92.9%	63.4%	68.8%

For the year ended 31 December 2022 ('FY22')

	Fund Administration US\$'000	Business Process Outsourcing US\$'000	Governance and Compliance US\$'000	Total US\$'000
Revenue	7,823	3,272	814	11,909
Direct staff costs	(2,581)	(293)	(273)	(3,147)
Other direct costs	(514)	-	-	(514)
Gross profit	4,728	2,979	541	8,248
Gross profit margins	60.4%	91.0%	66.5%	69.3%

Fund Administration segment delivers gross profit margin of 58.8% in FY2023, and 60.4% in FY2022. These result from the Group's additional investment in the form of additional experienced Production Employees, as well as extra modules to existing fund administration systems. These increased investments aim to drive additional business wins and revenue growth in the segment from 2024 and onwards.

Business Process Outsourcing segment consistently delivers gross profit margin of more than 90% during the years ended 31 December 2022 and 2023. The Group intends to maintain similar results from this segment mainly through its continuous collaboration with Amicorp Group.

The Governance and Compliance segment delivers gross profit margins of 63.4% and 66.5% in FY2023 and FY2022 respectively. It could be attributable to the increase in direct staff costs arising from employment of additional senior compliance experts in Luxembourg, Curacao, India, and Mauritius as part of the Group's increased focus in the promotion and broadening of its governance and compliance services. This foundation of a senior compliance team was considered as a building block to the upcoming growth of the segment.

Payroll and remuneration costs

Payroll and remuneration costs increased by US\$1.8 million, or 33.0%, to US\$7.2 million in FY23, compared to US\$5.4 million in FY22.

Please refer to non-IFRS KPIs section above for details of movement of payroll and remuneration costs.

Rent and occupancy

Rent and occupancy includes cost recharged by Amicorp Group for their subletting and property service rendered to the Group based on various intercompany service agreements. At the same time, the Group charged to depreciation expenses in accordance with the adoption of IFRS16 for its four leases with third party landlords.

The decrease of rent and occupancy by US\$353k, or 45.1% to US\$430k in FY23 compared to US\$783k in FY22 was partially compensated by the increase in depreciation expenses because of the newly acquired third party lease in Hong Kong and Chile.

Professional fees

Professional fees represent accounting, audit and tax compliance service fees for certain subsidiaries of the Group, legal fees for licensing application and legalisation of documents, as well as professional outsourcing relating to ordinary business.

The increase of professional fees by US\$712k, or 200% to US\$1.1 million in FY23 compared to US\$356k in FY22 was attributed to the provision of Group audit fee, additional statutory audit and tax reporting obligations of newly incorporated subsidiaries and the application of fund administration license in DIFC of Dubai. In addition, the Group also undertook temporary engagements with external compliance services providers in Malta in H1-22 to support local statutory compliance matters, which were duly completed pursuant to the relevant regulatory approval granted by MFSA.

IT expenses

IT expenses comprise of the fees incurred for the use of the fund administration systems, Bloomberg terminal and other business-related systems.

IT expenses increased from US\$547k in FY22 to US\$657k in FY23 because of the newly incurred cloud hosting service for the fund administration system, and fee increment for the use of other systems.

Other operating expenses

Other operating expenses consists of sales and marketing expenses, travelling expenses, statutory fees, office expenses, and other administrative expenses.

The increase in other operating expenses to US\$1.6 million in FY23 from US\$692k in FY22 was due to increased travelling expenses arising from extensive overseas sales meetings and inter-office visits. Furthermore, the Group also actively pursued business development activities including subscription to a financial database, participation in professional associations, and the organisation and sponsorship of business development events.

The Group also observed a modest increase in bad debt provision and write-off. This adjustment reflects our commitment to conservative accounting practices and our proactive approach to addressing potential credit risks within the receivables.

As is customary for professional services firms, the Group obtained its own requisite professional indemnity insurance post admission to protect its business in the event of claims.

Income tax expense

The estimated income tax expense decreased in FY23 to US\$667k (FY22: \$829k), along with the movement in the profit before income tax.

Included in the income tax expense for FY23, the Group recognised a US\$139k portion that is notional and presentational, under the merger accounting principles to treat its newly incorporated Luxembourg subsidiary as if it had always been with the Group ('notional tax expense').

Excluding such notional tax expense, the Group's effective tax rate as a percentage of profit before income tax in FY23 was 80.1% (FY22: 26.5%). Such increase is due to the non-deductible nature of the increased IPO costs in FY23, as well as the operating results of the developing offices in Mexico and Brazil. The Group has accumulated unused tax losses of US\$4.8 million for which no deferred tax assets have been recognised (FY22: US\$3.2 million). Such tax losses, if utilised, could benefit the tax position of the Group in the future.

Earnings per share ('EPS')

Basic and diluted EPS decreased to (US\$0.01) cents in FY23 from US\$1.9 cents in FY22.

Stephen Wong
Chief Financial Officer
30 April 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31 December	
		2023 Audited US\$'000	2022 Unaudited US\$'000
Revenue	5	12,814	9,892
Payroll and remuneration costs	7	(7,178)	(4,504)
Rent and occupancy		(430)	(555)
Professional fees	8	(1,068)	(356)
IT expenses		(657)	(547)
Depreciation expenses		(284)	(128)
IPO expenses		(952)	(906)
Foreign exchange gain		5	28
Other operating expenses	6	(1,607)	(684)
Operating profit		<u>643</u>	<u>2,240</u>
Other gains		-	38
Interest income		99	-
Interest costs		(89)	(39)
Profit before income tax		<u>653</u>	<u>2,239</u>
Income tax expense	9	(667)	(601)
Net (loss) / profit after tax		<u>(14)</u>	<u>1,638</u>
		US\$	US\$
Earnings per ordinary shares (Note 26)		Cent	Cent
Basic EPS		(0.01)	1.44
Diluted EPS		(0.01)	1.44

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Notes	Year ended 31 December	
		2023 Audited US\$'000	2022 Unaudited US\$'000
Net (loss) / profit after tax		(14)	1,638
Other comprehensive gain			
Foreign currency translation		(175)	38
Total comprehensive income		<u>(189)</u>	<u>1,676</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2023 Audited US\$'000	2022 Unaudited US\$'000
Non-current assets			
Property, plant and equipment	10	106	76
Intangible assets	11	83	-
Right of use assets	17	440	364
Investments		58	61
Deferred tax assets	9	232	263
		<u>919</u>	<u>764</u>
Current assets			
Trade receivables	12	2,860	1,521
Other receivables, deposits and prepayments	13	561	637
Amounts due from related companies	22	3,711	4,374
Cash and cash equivalents	14	2,973	875
		<u>10,105</u>	<u>7,407</u>
Total assets		<u>11,024</u>	<u>8,171</u>
Current liabilities			
Trade payables	15	151	201
Accrued payroll and employee benefits	18	459	288
Other payables and accruals	16	840	143
Lease liabilities	17	183	146
Deferred consideration payable	16	-	213
Income tax payable	9	472	1,117
		<u>2,105</u>	<u>2,108</u>
Net current assets		<u>8,000</u>	<u>5,299</u>
Total assets less current liabilities		<u>8,919</u>	<u>6,063</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 31 December	
	Notes	2023	2022
		Audited	Unaudited
		US\$'000	US\$'000
Non-current liabilities			
Lease liabilities	17	304	237
		<u>304</u>	<u>237</u>
Total liabilities		<u>2,409</u>	<u>2,345</u>
NET ASSETS			
		<u>8,615</u>	<u>5,826</u>
Equity			
Share capital	20	120	114
Share premium		5,989	-
Foreign exchange reserves		(375)	(200)
Merger reserves		3,164	2,410
Distributable reserves		-	2,569
Retained earnings		(283)	933
Total equity		<u>8,615</u>	<u>5,826</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital US\$'000	Share premium US\$'000	Forex translation US\$'000	Merger reserves US\$'000	Retained earnings US\$'000	Distributable reserves US\$'000	Total US\$'000
Audited							
As at 1 January 2023	114 ¹	-	(200)	2,410	933	2,569 ⁴	5,826
Share additions	6	6,462 ²	-	-	-	-	6,468
Directly attributable costs	-	(473) ³	-	-	53 ³	-	(420)
Pre-listing Dividends (Note 21)	-	-	-	-	(837) ⁵	(2,569) ⁵	(3,406)
Merger reserve additions & elimination	-	-	-	329 ⁶	(418)	-	(89)
Profit for the period	-	-	-	425 ⁶	(14)	-	411
Foreign currency translation	-	-	(175)	-	-	-	(175)
As at 31 December 2023	120	5,989	(375)	3,164	(283)	-	8,615
Unaudited							
	Share capital US\$'000	Share premium US\$'000	Forex translation US\$'000	Merger reserves US\$'000	Retained earnings US\$'000	Distributable reserves US\$'000	Total US\$'000
As at 1 January 2022	114 ¹	-	(238)	2,244	874	1,202	4,196
Merger reserve additions and eliminations ⁵	-	-	-	166 ⁶	(211)	-	(45)
Profit for the period	-	-	-	-	1,637	-	1,637
Transferred to distributable reserve	-	-	-	-	(1,367)	1,367	-
Foreign currency translation	-	-	38	-	-	-	38
As at 31 December 2022	114	-	(200)	2,410	933	2,569	5,826

¹This represents the share capital of the Company, immediately prior to being inserted as a holding company of the Group described in Note 2(a). The share capital amounted to US\$62k on its incorporation date being 3 March 2023, and increased to US\$114k on 23 May 2023 due to additional share issuance. According to the merger accounting principles outlined in Note 3(c), the Group is treated as if the Company, together with its subsidiaries, had collectively existed and been merged throughout the current and comparative accounting periods, and hence this share capital of US\$114k is presented as the opening balance on consolidation.

²On 8 June 2023, the Company successfully raised gross proceeds of US\$6.47 million through a placing of 6,468,000 ordinary shares, at the par value of US\$0.001 each share. The difference between the placing price and the nominal value of the shares constitutes the share premium.

³The total amount of US\$473k, which represents incremental costs directly associated with the issuance of new shares, is deducted from equity, in line with IAS 32. Out of this total, US\$53k had already been expensed in prior years, contributing to the success of share issuances in 2023, and therefore is reclassified from retained earnings to share equity, as a result. See accounting policies in Note 3(n).

⁴The opening balance represents certain net earnings of prior years according to the carve-out principles of the HFI included in the listing prospectus dated 5 June 2023, at the time when the Group was previously not yet formed as a separate standalone legal entity or group of entities.

⁵ Pre-listing dividends of US\$3.4m had been declared by Amicorp Fund Services Asia Limited, before the Company, Amicorp FS (UK) Plc, was inserted on 26 May 2023 as the holding company of the Group, in line with the listing prospectus dated 5 June 2023.

⁶Merger accounting is used for the Company inserted as the holding company of the Group, by way of receiving transferred shares of certain entities under common control as part of the carve-out reconstruction, given the ultimate controlling parent has remained the same. This merger reserve represents the excess of received entities' net assets over the transfer consideration, under the predecessor method. The details regarding the accounting policy for the merger reserve are described in Note 3(c).

CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 31 December	
	2023 Audited US\$'000	2022 Unaudited US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	653	2,239
Adjustments for:		
Depreciation of tangible assets	44	17
Amortisation of intangible assets	11	-
Depreciation of right of use assets	228	111
Recognition / (reversal) of doubtful debt provision	153	(3)
Bad debt recognised	193	-
Provision for group audit fees	500	-
Finance costs	89	39
Foreign exchange gain	(5)	(28)
Fair value gain from an investment measured at FVTP&L	-	(38)
	1,866	2,337
Increase in trade receivables	(1,680)	(275)
Decrease in other receivables, deposits and prepayments	231	328
Decrease / (increase) in amounts due from related companies	698	(1,651)
Increase in accrued payroll and employee benefits	171	46
(Decrease) / increase in trade payables	(45)	125
Increase / (decrease) in other provisions and payables	197	(12)
Cash generated from operations	1,438	898
Income tax paid to tax authorities	(1,015)	(477)
Income tax settled through amounts due from related companies ¹	(141)	(301)
Net cash flows generated from operating activities	282	120
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible assets	(167)	(71)
Settlement of deferred considerations (including unwinding interests)	(261)	-
Net cash flows used in investing activities	(428)	(71)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from a placing of additional ordinary shares, net of costs	5,898	-
Repayment of unwinding interest portion of lease liabilities	(40)	(30)
Repayment of principal portion of lease liabilities	(200)	(87)
Net cash flows generated from / (used in) financing activities	5,658	(117)
Non-cash transaction:		
Pre-IPO dividends in specie	(3,406)	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,106	(68)
Cash and cash equivalents at beginning	875	937
Foreign exchange difference	(8)	6
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,973	875

¹ These tax settlements were dealt via the Amicorp Group before the IPO carve-out completion in May 2023. See Note 9(b) for the tax details.

Reconciliation tables below of financial information for the year ended 31 December 2022 are included to demonstrate the consolidated comparatives in conjunction with the Group's Historical Financial Information ('HFI') included in the listing prospectus dated 5 June 2023, for the same financial year and as at the same financial year end.

RECONCILIATION OF COMPARATIVES

Consolidated Unaudited Statement of Total Comprehensive Income for the year ended 31 December 2022

	As per Historical Financial Information published in prospectus	Adjustment Exclusion of AFS Luxembourg based on IFRS¹	As per consolidated statement of total comprehensive income in this Report
	US\$'000	US\$'000	US\$'000
Revenue	11,909	(2,017)	9,892
Payroll and remuneration costs	(5,397)	893	(4,504)
Rent and occupancy	(783)	228	(555)
Professional fees	(356)	-	(356)
IT expenses	(547)	-	(547)
Depreciation expenses	(128)	-	(128)
IPO expenses	(906)	-	(906)
Foreign exchange gain	28	-	28
Other operating expenses	(692)	8	(684)
Operating profit	3,128	(888)	2,240
Other gains	38	-	38
Interest costs	(39)	-	(39)
Profit before income tax	3,127	(888)	2,239
Income tax expense	(829)	228	(601)
Net profit after tax	2,298	(660)	1,638

¹ This represents a portion of a subsidiary in Amicorp Group brought into AFS Group under the carve-out principles presented in the historical financial information ("HFI"), and it is excluded from the IFRS based comparatives in the consolidated financial statements of this annual report given that AFS Luxembourg is accounted for under the prospective approach described in Note 3(c).

RECONCILIATION OF COMPARATIVES (CONTINUED)

Consolidated Unaudited Statement of Financial Position as at 31 December 2022

	As per Historical Financial Information published in prospectus	Adjustments		As per consolidated statement of financial position in this Report
		Exclusion of AFS Luxembourg based on IFRS	Consolidation adjustments ¹	
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Non-current assets				
Property, plant and equipment	76	-	-	76
Right of use assets	364	-	-	364
Investment measured at FVTP&L	62	-	(1)	61
Deferred tax assets	263	-	-	263
	765	-	(1)	764
Current assets				
Trade receivables	1,521	-	-	1,521
Other receivables, deposits and prepayments	637	-	-	637
Amounts due from related companies	7,781	(2,095)	(1,312)	4,374
Cash and cash equivalents	875	-	-	875
	10,814	(2,095)	(1,312)	7,407
Total assets	11,579	(2,095)	(1,313)	8,171
Liabilities				
Non-current liabilities				
Lease liabilities	237	-	-	237
Current liabilities				
Trade payables	201	-	-	201
Accrued payroll and employee benefits	288	-	-	288
Other payables and accruals	129	-	14	143
Lease liabilities	146	-	-	146
Deferred consideration payable	213	-	-	213
Income tax payable	1,117	-	-	1,117
	2,094	-	14	2,108
Total liabilities	2,331	-	14	2,345
Net assets	9,248	(2,095)	(1,327)	5,826
Equity				
Share capital	946	-	(832)	114
Foreign exchange reserves	(142)	-	(58)	(200)
Merger reserves	-	-	2,410	2,410
Distributable reserves	-	(2,095)	4,664	2,569
Retained earnings	8,444	-	(7,511)	933
Total equity	9,248	(2,095)	(1,327)	5,826

¹ the historical financial information for the financial year ended 31 December 2022 included in the prospectus was prepared under the combination method since the legal structure of the Group was not yet formed. For the consolidated financial statements of this annual report, such historical information as comparatives is adjusted with consolidation eliminations where appropriate. For details, please see Note 2(a) and Note 3(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

These annual financial statements for the year ended 31 December 2023 are the audited consolidated financial statements for Amicorp FS (UK) Plc and its subsidiaries; the comparatives within these consolidated financial statements including the disclosure notes (i.e. for the financial year ended 31 December 2022) are unaudited. Amicorp FS (UK) Plc (the 'Company'), a public limited company incorporated and domiciled in the United Kingdom with its company number being 14704124 under the Companies Act 2006, together with its subsidiaries (collectively, the 'Group'), is a provider of fund administration services, regulatory reporting, fiduciary services and multi-faceted business support alternatives for hedge funds, private equity funds and family offices investing in listed or unlisted equities, financial instruments, projects, real estate and various asset classes locally or globally.

The Group also offers administration and fiduciary services to special purpose vehicles associated with fund structures or entities with passive investment on financial instruments.

The address of the Company's registered office is 5 Lloyd's Avenue, London, United Kingdom, EC3N 3AE.

The financial information included in this preliminary statement of results does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006 (the "Act"). The financial information for the year ended 31 December 2023 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 31 December 2023 will be delivered to the Registrar of Companies in advance of the Group's annual general meeting.

2. BACKGROUND AND BASIS OF PREPARATION

(a) Background and purposes of the consolidated financial information

The Group is a business division of Amicorp Group, which is a multinational organisation providing, in addition to fund administration services, a broad range of corporate management, capital market and financial services to clients globally with a dedicated network of international experts and specialists.

Since year 2018, newly incorporated subsidiaries of the Group and former subsidiaries of Amicorp Group entered into multiple conditional agreements for the sale and purchase of the respective equity share capital of such former subsidiaries, being a set of fund administration services within Amicorp Group.

The Group was not formed of a separate standalone legal group of entities, and the Company was incorporated on 3 March 2023 and inserted as the holding company of the Group on 26 May 2023.

As announced on 5 June 2023, the Company successfully raised gross proceeds of US\$6.47 million through a placing of 6,468,000 new ordinary shares, with a further placing of 9,702,000 existing ordinary shares that raised US\$9.70 million. On 8 June 2023, the Company was successfully admitted to the Main Market of the London Stock Exchange, as a holding company of the Group.

The insertion of the Company as the holding company of the Group constitutes a carve-out reconstruction involving transfer of shares in the Group's entities, in which merger accounting is applied. Accordingly, the consolidated financial statements of the Group are prepared as if the Company, together with its subsidiaries, collectively had already existed before the start of the earliest period presented. The comparative information is, therefore, presented as if the carve-

out reconstruction had already occurred, and it has been derived from the HFI included in the listing prospectus, primarily adjusted for the demerger equity, reserve and consolidation adjustments, except for Amicorp Fund Services Luxembourg S.A (“AFS Luxembourg”); AFS Luxembourg was incorporated as a new legal entity in the Luxembourg jurisdiction during the current financial year and transferred to the Group as a subsidiary, and the carved-out portion related to AFS business in Luxembourg included in the HFI are now excluded from the comparatives, in order to be in compliance with the IFRS reporting framework (See Note 3c). Reconciliations from the historical financial information to the IFRS comparatives are presented in Reconciliations of Comparatives after the primary statements.

This first-time consolidated financial statements (“annual financial statements”) of Amicorp FS (UK) Plc, for the year ended 31 December 2023, have been prepared in accordance with International Accounting Standards (“IAS”), the requirements of the Companies Act 2006 and UK-adopted International Financial Reporting Standards (“IFRS”), including the interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These consolidated financial statements, which are audited, should be read in conjunction with the Group's Historical Financial Information (‘HFI’) as at and for the year ended 31 December 2022 included in the listing prospectus dated 5 June 2023, which is available on the Group's website.

The accounting policies adopted are consistent with those adopted by the Group in the HFI included in the listing prospectus. The consolidated financial statements are presented in thousands of US Dollars (‘US\$’000’) unless otherwise indicated and prepared under the historical cost convention and based upon the accounting policies disclosed below.

Under the merger accounting principles, these consolidated financial statements of the Group are presented as if the Company, with its subsidiaries, had always existed at its earliest period even though the Company was incorporated in 2023.

The comparatives within these consolidated financial statements including disclosure notes (i.e. for the financial year ended 31 December 2022) are unaudited, with consistency in the accounting policies with those applied to the audited financial information for the year ended 31 December 2023.

Where applicable, the Group has taken into account and implemented IFRS standards, along with any related interpretations and amendments, which were issued and effective as of 1 January 2023. The Group has not chosen to adopt any standards, interpretations, or amendments before their effective date. While there have been some new amendments effective in 2023, they are not considered to impact the consolidated financial statements.

(b) Entities included within the Group

The financial position and financial performance of the following entities are included as part of the consolidated financial statements:

Amicorp Fund Services Asia Limited¹
Amicorp Fund Services (Asia) Pte. Ltd.
Amicorp (Shanghai) Consultants Ltd.
Amicorp Fund Services N.V.
Amicorp Fund Services N.V. (Barbados Branch)
Amicorp Fund Services N.V. (Bahamas Branch)
Administradora de Fondos de Inversión Amicorp S.A.
Amicorp Administradora General de Fondos SA (formerly known as ECUS Administradora General de Fondos SA)
AFS BRASIL LTDA.
Soluciones y Servicios AFS México, S.A. de C.V.
Amicorp Fund Services Malta Limited

Amicorp Support Services Ltd
Amicorp Fund Services (Mumbai) Private Limited¹
Amicorp Fund Services (Mumbai) Private Limited (Bangalore Branch)
Amicorp Fund Services (Cyprus) Ltd
Amicorp Fund Services Luxembourg S.A¹

¹ Shares of these entities were transferred to the Company during the financial year ended 31 December 2023, as part of the reconstruction process for the Company inserted as the holding company of the Group described in Note 2a. These entities are accounted for under the merger accounting approach described in Note 3c, and included in the consolidated financial statements.

(c) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for certain financial assets and liabilities which are measured at fair value in accordance with UK-adopted IFRS and IAS. The measurement bases are fully described in the accounting policies below.

The material accounting policies that have been used in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to years and periods presented unless otherwise stated.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgment of current events and actions, actual results may ultimately differ from those estimates. The area involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

Going concern

The Group raised US\$6.5 million in the current financial year, which enriches its working capital. The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date these financial statements are issued. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

In assessing going concern, the Directors considered the Group's cash flows, solvency and liquidity positions, and have considered a range of scenarios as part of the assessment; Directors considered the reasonably worst case scenario by applying adverse assumptions on key business metrics which presumes fund launch rate and attrition rate of new funds and existing launching funds respectively being 50% worse than those in the normal scenarios, as a reverse stress test. In this reasonably worst scenario, the net current assets and cash and bank equivalence are projected to remain positive throughout the going concern period.

As at the year ended 31 December 2023, the Group had cash and cash equivalents of US\$3.0 million (31 December 2022: US\$0.9 million) and net current assets of US\$8.0 million (31 December 2022: US\$5.3 million), and the IPO expenses of \$952k in the current financial year are not anticipated since the listing has been completed, which the Directors believe will be sufficient to maintain the Group's liquidity over the going concern period (i.e. at least 12 months from the date of issue of these financial statements), including continued investments to meet existing financial commitments and to deliver future growth.

(d) Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the

currency of the primary economic environment in which the entity operates (the 'functional currency'). The presentational currency of the Group is United States Dollars ('US\$'), and hence the financial information is presented in US\$, unless specified otherwise.

In the individual financial statements of the Group's entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the exchange revaluation gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial information, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into US\$. Assets and liabilities have been translated into US\$ at the closing rates at the reporting dates. Income and expenses have been converted into US\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting year provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been dealt with separately in other comprehensive income and the translation reserves in equity.

3. ACCOUNTING POLICIES

(a) Basis of consolidation

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Group, as follows:

- Assets and liabilities for the consolidated statement of financial position presented are translated at the closing rate at the reporting date;
- income and expense items are translated at exchange rates ruling at the date of the transactions;
- all resulting exchange differences are recognised in other comprehensive income (foreign exchange reserves); and
- cash flow items are translated at the exchange rates ruling at the date of the transaction

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of, if any, during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred, and equity interests issued by the Group, as the acquirer. The identifiable assets acquired, and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect,

on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

(b) Subsidiaries

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

(c) Merger accounting

Merger accounting is used for the Company inserted as the holding company of the Group, by way of receiving transferred shares of certain entities under common control as part of the carve-out reconstruction described in Note 2(a), given the ultimate controlling parent has remained the same. This method treats the Company, together with its subsidiaries, as if they had been merged throughout the current and comparative accounting periods.

The net assets of the consolidated entities or businesses use the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the carve-out reconstruction, to the extent of the continuation of the controlling parties' interest.

When the Company was inserted as the holding company of the Group, the excess of the carrying amount of integrated net assets over the consideration to Amicorp Group is represented as a merger reserve in equity in the consolidated statement of financial position, under the predecessor method.

AFS Luxembourg was incorporated as a new legal entity in the Luxembourg jurisdiction during the current financial year and transferred to the Group as a subsidiary. As the transaction is considered

as an acquisition of trade and assets, merger accounting principles have been applied prospectively, i.e. without the necessity for restating pre-combination figures and from the date of the common control transfer of the trade and assets into the AFS Luxembourg business without restating the comparatives for that business to before that date. AFS Luxembourg is entitled for all the economic benefits and costs of its AFS business in Luxembourg effective from 1 January 2023. The consolidated statement of financial statements are prepared under merger accounting principles to include such transactions from 1 January 2023, accounting for this AFS Luxembourg business as if it had always been with the Group.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in operations of the previously separate businesses, etc., incurred in relation to the carve-out reconstruction that are to be accounted for by using merger accounting are recognised as an expense in the financial year in which they are incurred.

(d) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of tangible asset includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Tangible assets are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Machinery and equipment	3 – 10 years
Furniture and fixtures	3 - 10 years
Motor vehicles	3 - 5 years
Leasehold improvements	in line with lease terms

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of tangible assets is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(e) Intangible assets

Costs associated with maintaining software programmes are recognised as an expense as incurred. Costs that are directly attributable to the identifiable software are recognised as intangible assets.

The Group amortises intangible assets with a limited useful life, using the straight-line method over the following periods:

IT software	3 – 5 years
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The useful life is assessed by considering technological advancements, industry trends, evolving needs, and the overall pace of innovation in the relevant market.

(f) Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Investments

It represents an investment in an equity fund classified as a financial asset measured at fair value through profit or loss, given that it was not elected by management at inception to recognise fair value gains and losses through OCI; the Group held 2,386 units of Series B in Fondo De Inversion Ecus Agri-food, which is a Chilean public fund regulated by the Chilean Financial Market Commission ("CMF"), with aims to generate long-term capital appreciation from its investment portfolio for food and agricultural products, and the units of Series B held by the Group represent 1.69 per cent of the total units issued by the fund.

The Group's valuation technique used for this investment is the net asset value, based on the ratio of the units held over the total unit issued by the fund.

The fair value hierarchy of this investment is considered as level 1, given that the fund is required to report its net asset value to the CMF on a quarterly basis, following the guidelines provided by the CMF for the fair value inputs. The fair value of the investment recognised by the Group is measured as at reporting dates.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group only has the following type of debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows and the cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on trade receivables and other receivables that are financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and other receivables using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets, such as amount due from related companies, deposits and other current assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the counterparty is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 30 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e., the gross carrying amount less loss allowance) of the financial asset. For non-credit impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables are subsequently measured at amortised cost.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Financial liabilities at fair value through P&L

Any deferred consideration, arising from business acquisitions, is measured at fair value at the date of acquisition. If an obligation to pay deferred consideration that does not meet the definition of an equity instrument is remeasured at fair value at each reporting date and subsequent changes in the fair value of the deferred consideration are recognised in profit or loss.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The

effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(g) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group, and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation; for instance, certain services are activities performed to fulfil AFS's continuous integrated fund administrative service and the benefits consumed by the client are substantially the same for each monthly service (i.e. 12 distinct instances of admin service provision) and the corresponding revenue is being recognised every month. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Revenue comprises the provision of fund administration services, regulatory and compliance services and also business process outsourcing services. Fund administration services represent fund onboarding, registrar and transfer agency and NAV calculation, and preparation of financial statements; regulatory and compliance and business process outsourcing include services of AML, directorship, board support, FATCA, CRS and other tax reporting. These fund services revenues are

recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided.

(h) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. 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. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

The Group has assessed Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) effective from 1 January 2023, where applicable, which narrows the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. There was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of IAS 12.

(i) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it/they operate(s) (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. United States dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities

of foreign operations are translated at the rate ruling at the end of the reporting year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to non-controlling interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

(j) Employee benefits

(i) Defined contribution retirement Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(ii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(k) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(l) Impairment of other assets

At the end of each reporting year, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- tangible assets and intangible assets;

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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 previously. A reversal of an impairment loss is recognised as income immediately.

(m) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(n) Share capital

In accordance with IAS 32, expenses incurred specifically for issuing shares, such as underwriting fees, are deducted from equity. Conversely, expenses associated with listing on the stock market, such as listing fees, or those not directly linked to issuing new shares, are recognised as expenses in the income statement.

For costs that pertain to both share issuance and listing, such as legal fees, they are allocated between these two functions in a reasonable and consistent manner.

(o) Distributable reserve

It represents certain net earnings of prior years recognised according to the carve-out principles of the HFI included in the listing prospectus, at the time when the Group was previously not yet formed as a separate standalone legal entity or group of entities.

4. KEY ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results 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.

Key sources of estimation uncertainty

In addition to information disclosed elsewhere in this financial information, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of financial assets measured at amortised cost

Management estimates the amount of loss allowance for ECL on financial assets that are measured at amortised cost based on the credit risk of the respective financial asset. The loss allowance amount is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows after taking into consideration of expected future credit loss of the respective financial asset. The assessment of the credit risk of the respective financial asset involves high degree of estimation and uncertainty. When the actual future cash flows are different from expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

(ii) Direct costs attributable to share issuance

The Group incurred various costs in issuing its own equity instruments, with some portions identified as transaction costs. Transaction costs are incremental expenses directly related to the equity transaction that would have been avoided if the equity instruments had not been issued. These costs associated with the equity transaction are accounted for as deductions from equity.

There is a degree of judgement involved in determining which costs are directly attributable to the equity transaction and in considering whether these costs relate to the listing of new shares and existing shares, or the issuances of new shares, and only the latter can be treated as a deduction from equity. Common costs for both listing and share issuance have been apportioned to equity by considering the percentage of shares newly issued at the IPO (5%) in relation to the existing shares admitted for listing, as applicable.

Overall, US\$473k has been deducted from the share premium, US\$420k of which is transaction costs incurred during the current financial year ended 31 December while the remaining amount of US\$53k was the transaction costs incurred in prior financial years.

(iii) Merger reserve

These consolidated financial statements involve the recognition and measurement of merger reserves arising from business combinations under common control when the Company was inserted in May 2023 into the Group as the listing company for the AFS business. The measurement of merger reserves is subject to estimations due to the complexity and judgment involved in determining the value of net assets received via the receipt of shares in certain subsidiaries transferred to the Company. Management exercises professional judgment and utilises appropriate valuation methodologies to determine the initial recognition and measurement of merger reserves. For details, please see the accounting policy described in Note 3c.

(iv) Comparatives

The portion of the AFS business in Luxembourg included in the HFI prepared under the carve-out principles has been excluded from the comparatives of these consolidated financial statements to align with the IFRS reporting framework, as outlined in Note 3c. Reconciliations from the historical financial information to the IFRS comparatives are provided in Reconciliations of Comparatives after the primary statements.

AFS Luxembourg was established as a new legal entity and transferred to the Group as a subsidiary during the current financial year ended 31 December 2023, constituting an acquisition of trade and assets. In accordance with merger accounting principles, this transaction is treated prospectively, without restating pre-combination figures. Management has exercised judgment in applying accounting standards and assessing the impact of opening balance and comparative adjustments.

5. SEGMENTAL REPORTING

The Group's decision makers, consisting of the chief executive officer, chief operating officer, the chief financial officer and managers for corporate planning, examine the Group's performance from a fund service provider's perspective and have identified three reportable segments of its business under IFRS 8.

The reportable segments are identified as fund administration, business process outsourcing and regulatory and compliance. Management primarily uses a measure of net earnings by services to assess the performance of the reportable segments.

The customer base is primarily institutional clients, including private equity funds, family offices and hedge funds. No individual client in Fund Administration and Governance and Compliance represents more than 2% of revenue in the year ended 31 December 2023 (31 December 2022: same).

Year ended 31 December 2023	Revenue	Direct staff cost	Other direct costs	Gross profit
	US\$'000	US\$'000	US\$'000	US\$'000
Fund Administration	7,927	(2,710)	(553)	4,664
Business Process Outsourcing	3,582	(254)	-	3,328
Governance and Compliance ¹	1,305	(478)	-	827
Total	12,814	(3,442)	(553)	8,819

Indirect staff costs	(3,736)
Other operating expenses	(3,488)
IPO expense	(952)
Net finance income	10
Profit before income tax	653

Year ended 31 December 2022	Revenue	Direct staff cost	Other direct costs	Gross profit
	US\$'000	US\$'000	US\$'000	US\$'000
Fund Administration	6,217	(2,038)	(514)	3,665
Business Process Outsourcing	3,272	(293)	-	2,979
Governance and Compliance ¹	403	(187)	-	216
Total	9,892	(2,518)	(514)	6,860

Indirect staff costs	(1,986)
Other operating expenses	(1,728)
IPO expense	(906)
Other gains	38
Finance costs	(39)
Profit before income tax	2,239

¹ Governance and Compliance services is formerly known as Regulatory and Compliance services.

5. SEGMENTAL REPORTING (CONTINUED)

Geographical information

The amount of its revenue from external customers broken down by geographical region of contracting entities in the Group is shown in the table below.

Geographical revenue

	Year ended 31 December	
	2023 US\$'000	2022 US\$'000
LATAM	2,446	2,027
Europe	3,211	903
MEAI ¹	7,157	6,962
	<u>12,814</u>	<u>9,892</u>

Geographical assets and liabilities

The total assets and liabilities by geographical region are shown as below:

Year ended 31 December 2023	Year ended 31 December				Total US\$'000
	LATAM US\$'000	Europe US\$'000	MEAI ¹ US\$'000	Consolidation elimination US\$'000	
Total assets	2,894	4,281	11,318	(7,469)	11,024
Total liabilities	574	771	948	116	2,409

Year ended 31 December 2022	Year ended 31 December				Total US\$'000
	LATAM US\$'000	Europe US\$'000	MEAI ¹ US\$'000	Carve-out basis ² US\$'000	
Total assets	3,594	855	2,952	770	8,171
Total liabilities	612	311	1,422	-	2,345

¹ MEAI means the Group's operations in the geographical region of Middle East, Asia and India.

² These represents carve-out adjustments for the HFI under the carve-out principles described in Note 2a, and these balances are included in amounts due from related companies in relevant historical financial years; the counterparty is the parent of the wider group incorporated in Cyprus, and these balances, post HFI, are expected to be reflected in corresponding balance sheet accounts by geographical regions, near or upon the Group's carve-out completion.

6. OTHER OPERATING EXPENSES

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Business development expenses (including travelling expenses)	595	373
Statutory fee expenses	78	48
Recognition/ (reversal) of doubtful debt provision ²	153	(3)
Bad debt recognised ²	193	-
Other overhead expenses	588 ¹	266
	1,607	684

¹ the increment mainly represents additional directors and officers insurance costs of US\$198k as part of the ordinary business activities.

² Recognition/(reversal) of doubtful debt provision represents the estimation and adjustment of a provision for potential uncollectible debts, and bad debt recognised is the specific amount of accounts receivable deemed uncollectible and is hence written off as an expense.

7. PAYROLL AND REMUNERATION COSTS

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Employee costs (including directors) comprise:		
Wages and salaries	6,985	4,375
Contributions on defined contribution retirement plans	19	33
Other employment benefits	174	96
	7,178	4,504

	Year ended 31 December	
	2023	2022
Average monthly number of employees	95	72

8. PROFESSIONAL FEES

The net increment includes an audit fee provision of US\$500k, and such audit services align with the statutory and listing requirements in the UK and other relevant jurisdictions where the Group operates. The remaining increment of US\$212k is contributed mainly by financial analysis and reporting services and also equity research services, along with recurring professional services for SOC reports and statutory tax filings etc.

9. TAX

This note provides an analysis of the Group's current income tax and deferred tax.

(a) Income tax expense

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
<i>Current income tax</i>		
Current tax on profits for the year	647	587
<i>Deferred income tax</i>		
Deferred tax expense for the year (Note 9c)	20	14
Total income tax expenses	667	601

(b) Income tax payables

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Current income tax payable	472	1,117

In the respective financial years, tax expense or income recognised in other comprehensive income amounted to nil, in addition to the income tax expenses above charged to profit or loss. Also, there was no significant uncertain tax position or tax-related contingency identified in the Group.

Reconciliation of income tax expense to prima facie tax payable

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Profit before income tax expense	653	2,239
Current tax charge at the UK average rate of 24.43% (2022: 19%)	160	425
Effects of material amounts that are not taxable/deductible in calculating income tax: ²		
Use of brought forward losses unrecognised		
Use of brought forward losses unrecognised	(69)	(47)
Non-deductible expenses	282	172
Losses not recognised	693	-
Fair value gain on an investment measured at FVTP&L	-	(7)
Difference in overseas tax rates ³	(399)	49
Others	-	9
Income tax expenses	667	601

² The financial impact of standard non-deductible items, such as depreciation and interest expenses, is considered insignificant in the Group, and hence are excluded from the reconciliation.

³ Income tax on overseas profits has been calculated on the estimated assessable profit for the years at the respective tax rates prevailing in the countries in which the Group operates.

9. TAX (CONTINUED)

Cyprus corporate tax has been provided at the rate of 12.5% (2022: 12.5%) on the estimated assessable profits of the Group's operations in Cyprus.

Malta corporate tax has been provided at the rate of 35% (2022: 35%) on the estimated assessable profits of the Group's operations in Malta.

Luxembourg corporate tax has been provided at the rate of 17% (2022: 17%) on the estimated assessable profits of the Group's operations in Luxembourg.

India corporate tax has been provided at the rate of 25% (2022: 25%) on the estimated assessable profits of the Group's operations in India. 25% is the statutory rate of corporate income tax in India in this period although a higher effective tax rate can apply to profit in this jurisdiction owing to the application of surtaxes.

Hong Kong corporate tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits of the Group's operations in Hong Kong.

Singapore corporate tax has been provided at the rate of 17% (2022: 17%) on the estimated assessable profits of the Group's operations in Singapore.

Chile corporate tax has been provided at the rate of 27% (2022: 27%) on the estimated assessable profits of the Group's operations in Chile.

Curacao corporate tax has been provided at the rate of 3% (2022: 3%) on the estimated assessable profits of the Group's operations in Curacao.

In the financial year ending on 31st December 2022, the Group's operations in the United Kingdom made provisions for UK corporate tax at a rate of 19% on the estimated assessable profits. Subsequently, in the financial year ending on 31st December 2023, the corporate tax rate increased to 24.43%. This increase is in line with the change in the UK corporation tax year, which began on 1st April 2023 and introduced a higher corporate tax rate of 25%.

(c) Deferred tax assets

	2023	2022
	US\$'000	US\$'000
Balances as at 1 January	263	276
Deferred tax expense recognised (Note 9a)	(20)	(14)
Foreign exchange difference	(11)	1
Balances as at 31 December	<u>232</u>	<u>263</u>

The deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The deferred tax assets provided relate to trading losses.

(d) Unused tax losses

	2023	2022
	US\$'000	US\$'000
Accumulated unused tax losses for which no deferred tax asset has been recognised	<u>4,792</u>	<u>3,191</u>

Potential tax benefits at effective tax rates in respective years

1,358

922

The unused tax losses are seen in some entities within the Group, for which no deferred tax asset has been recognised on the prudence basis, given the unpredictability of profit streams and future economic benefits; unrecognised tax losses of US\$161k were utilised in 2023 (2022: \$248k), and remaining unrecognised tax losses can be carried forward indefinitely for future use.

(e) OECD reforms and developments

On 8 October 2021, 136 countries reached an agreement for a two-pillar approach to international tax reform ('the OECD agreement'). Amongst other things, Pillar One proposes a reallocation of a proportion of tax to market jurisdictions, while Pillar Two seeks to apply a global minimum effective tax rate of 15%.

Whilst the Group is below the size thresholds for these proposals to apply, the OECD agreement is likely to see changes in corporate tax rates in a number of countries in the next few years. The impact of changes in corporate tax rates on the measurement of tax assets and liabilities depends on the nature and timing of the legislative changes in each country, which will become known and certain in the near future.

10. PROPERTY, PLANT AND EQUIPMENT

	Machinery and equipment	Furniture and fixtures	Leasehold improvement	Motor vehicles	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost					
At 1 January 2023	51	38	51	44	184
Additions	24	-	53	-	77
Written off/disposals	-	-	-	-	-
Exchange differences	(1)	-	-	-	(1)
At 31 December 2023	<u>74</u>	<u>38</u>	<u>104</u>	<u>44</u>	<u>260</u>
At 1 January 2022	31	37	-	44	112
Additions	20	-	51	-	71
Written off/disposals	-	-	-	-	-
Exchange differences	-	1	-	-	1
At 31 December 2022	<u>51</u>	<u>38</u>	<u>51</u>	<u>44</u>	<u>184</u>
Accumulated depreciation					
At 1 January 2023	28	37	-	43	108
Charge for the year	10	1	32	1	44
Written off/disposals	-	-	-	-	-
Exchange differences	2	-	-	-	2
At 31 December 2023	<u>40</u>	<u>38</u>	<u>32</u>	<u>44</u>	<u>154</u>
At 1 January 2022	25	37	-	29	91
Charge for the year	3	-	-	14	17
Written off/disposals	-	-	-	-	-
Exchange differences	-	-	-	-	-
At 31 December 2022	<u>28</u>	<u>37</u>	<u>-</u>	<u>43</u>	<u>108</u>
Net book value					
At 31 December 2023	<u>34</u>	<u>-</u>	<u>72</u>	<u>-</u>	<u>106</u>
At 31 December 2022	<u>23</u>	<u>1</u>	<u>51</u>	<u>1</u>	<u>76</u>

There were no tangible assets pledged as security by the Group in the years ended 31 December 2023 and 2022.

11. INTANGIBLE ASSETS

During the financial year ended 31 December 2023, there were additions of IT software for US\$90k.

12. TRADE RECEIVABLES

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Trade receivables	3,079	1,599
Less: allowance for doubtful debts	(219)	(78)
	<u>2,860</u>	<u>1,521</u>

The Group allows a credit period of 30 days upon the services rendered to customers. Due to the short-term nature of the current trade receivables, their carrying amounts are considered to be the same as their fair value.

Information about the Group's exposure to credit risk and foreign currency risk can be found in note 24.

At 31 December, the ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Up to 3 months	2,767	1,371
3 to 6 months	146	171
6 to 12 months	85	42
Over 1 year	81	15
	<u>3,079</u>	<u>1,599</u>

Also, the following is an ageing analysis of trade receivables past due but not impaired at 31 December:

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Up to 3 months	870	517
3 to 6 months	42	21
6 to 12 months	55	23
Over 1 year	68	13
	<u>1,035</u>	<u>574</u>

12. TRADE RECEIVABLES (CONTINUED)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. In measuring the expected credit losses, receivables are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these trade receivables are estimated using a provision rate based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and the forecast direction of conditions as at the reporting dates, including time value of money where appropriate.

31 December 2023	Up to 3 months US\$'000	3 to 6 months US\$'000	6 to 12 months US\$'000	Over 1 year US\$'000	Total US\$'000
Expected credit loss rate	2.7%	13.7%	50.6%	98.8%	7.1%
Gross trade receivables	2,767	146	85	81	3,079
Loss allowance	76	20	43	80	219
31 December 2022	Up to 3 months US\$'000	3 to 6 months US\$'000	6 to 12 months US\$'000	Over 1 year US\$'000	Total US\$'000
Expected credit loss rate	4.2%	10.5%	9.5%	0%	4.9%
Gross trade receivables	1,371	171	42	15	1,599
Loss allowance	56	18	4	-	78

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 31 December	
	2023 US\$'000	2022 US\$'000
Accrued income	58	425
Deposits	47	35
Prepayments and other receivables	187	118
Receivables from IPO proceeds	150	-
VAT receivables	119	59
	561	637

14. CASH AND CASH EQUIVALENTS

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Cash at bank and in hand	2,973	875

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
United States dollar	2,255	111
Hong Kong dollar	3	123
Chilean Peso	515	480
Euro	162	124
Others	38	37
	2,973	875

15. TRADE PAYABLES

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Trade payables	151	201

Trade payables represent payables to service providers. The credit period granted by service providers is normally 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame. Details are set out in note 24.

16. OTHER PAYABLES

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Current		
Other payables and accruals	257	130
VAT payables	29	5
Group audit fee accruals	500	-
Payment in advance from customers	54	8
	840	143
Deferred consideration – financial liabilities measured at FVTP&L		
Current	-	213
Non-current	-	-
	-	213

(a) Deferred consideration

In October 2021, the Group acquired 100% of equity interests of Amicorp Administradora General de Fondos SA (formerly known as ECUS Administradora General de Fondos SA) for a total discounted consideration of CLP588 million (US\$706k), comprised of: (i) initial cash consideration of CLP417 million (US\$501k); (ii) discounted deferred cash consideration of CLP171 million (US\$205k) payable by no later than October 2023. The acquiree has been accounted for as subsidiaries of the Group since the acquisition date.

In the financial year ended 31 December 2022, the deferred consideration due to the seller was payable by October 2023, and the undiscounted payable amount was the undiscounted deferred base payment of CLP 188m plus/minus CLP 60m depending on the outcome of certain pre-acquisition tax credit claims submitted by the seller to the local authorities in Chile, in accordance with the acquisition agreement.

The deferred consideration was measured at FVTP&L, and the fair value was remeasured at every reporting date. Also, the group's policy was to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period, and management decided that the deferred consideration was classified as level 3, given the significant inputs were not based on observable market data.

The valuation technique used was discounted cash analysis, with the following table summarising the details:

Description	Valuation techniques	Significant inputs	Sensitivity of the fair value measurement to input
Contingent consideration	Discounted cash flow. Expected net cash outflows are estimated based on the terms of the share purchase agreements and the group's expectations of outcomes of tax credit claims.	Discount rate of 5.00% Expected undiscounted cash outflows of CLP 188.8m (US\$ 221.8k)	An increase in the discount rate of 100 basis points would decrease the fair value by US\$ 1.7k as at 31 December 2022. Management did not consider the value of expected future cash outflows would change materially during the next 12 months from 31 December 2022.

17. LEASES

This note provides information for leases where Group is a lessee within the scope of IFRS 16.

In the prior year ended 31 December 2022, the Group entered into two more office leases in January and June 2022 respectively, each with lease terms of 2 years and 3.5 years respectively. During the current financial year to 31 December 2023, an additional office lease was ascertained and commenced in February for a lease term of 3 years.

The Group does not have options to purchase certain offices for a nominal amount at the end of the lease term. Also, these leases do not contain variable lease payments throughout the lease terms. The total cash outflow for leases amount to US\$240k in financial year ended 31 December 2023 (US\$117k in 2022).

(i) Right of use assets

	Office premise 2023 US\$'000	Office premise 2022 US\$'000
Cost		
At 1 January	475	262
Additions	304	239
Exchange differences	-	(26)
At 31 December	779	475
Accumulated depreciation		
At 1 January	111	4
Depreciation for the year	228	111
Exchange differences	-	(4)
At 31 December	339	111
Net carrying balance as at 31 December	440	364

(ii) Lease liabilities

	Office premises 2023 US\$'000	Office premises 2022 US\$'000
At 1 January	383	260
Additions	304	234
Interest expense	40	30
Lease payments	(240)	(117)
Exchange differences	-	(24)
At 31 December	487	383
Discounted lease payments are due as follows:		
	2023 US\$'000	2022 US\$'000
Within one year	183	146
In between one and two years	197	118
In between two and five years	107	119
	487	383

17. LEASES (CONTINUED)

Undiscounted lease payments are due as follows:

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Within one year	213	150
In between one and two years	214	132
In between two and five years	111	155
	<u>538</u>	<u>437</u>
Less: Future finance charges	<u>(51)</u>	<u>(54)</u>
Lease liabilities	487	383
Disclosed as:		
Current	183	146
Non-current	304	237
	<u>487</u>	<u>383</u>

(iii) Short term leases

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Under IFRS 16, these leases are not included in right of use assets or lease liabilities, and such lease expenses are recognised in profit and loss when incurred; these short term leases are immaterial to the Group in the financial year ended 31 December 2023 (2022: same).

18. ACCRUED PAYROLL AND EMPLOYEE BENEFITS

	As at the year ended	
	Dec-2023	Dec-2022
	US\$'000	US\$'000
Accruals for wages and social securities	265	53
Wage tax accruals	75	20
Long term services accruals	27	172
Leave accruals	92	43
	<u>459</u>	<u>288</u>

19. FEES FOR COMPANY'S AUDITORS AND ITS ASSOCIATES

	Year ended 31 December	
	2023	2022
	US\$'000	US\$'000
<i>Fees payable to the Company's auditor and its associates:</i>		
Audit of the company and consolidated financial statements	500	-
Audit of the company's subsidiaries	105	15
Total audit services	<u>605</u>	<u>15</u>
Non-audit services ¹	196	364
Other assurance services ¹	109	202
Total audit services, audit-related and other assurance services	<u>910</u>	<u>581</u>

¹The non-audit services and other assurance services provided by the Company's auditor and its associates are related to the other assurance engagements for the Company's IPO, outside of statutory audit requirements.

20. SHARE CAPITAL

On 3 March 2023, the Company was established with an initial capital of GBP 50,000, which was divided into 5,000,000 ordinary shares valued at GBP 0.01 per share. Subsequently, on 4 April 2023, the share capital was converted to US dollars at a rate of US\$0.0124 per share, resulting in a total of US\$62,000. On 23 May 2023, this existing share capital was further divided into 62,000,000 ordinary shares, each valued at US\$0.001, while maintaining the total share capital at US\$62,000.

Moreover, additional allotments of 51,500,000 and 6,468,000 shares at US\$0.001 each were made on 23 May 2023, and 8 June 2023, respectively, bringing the total number of shares to 119,968,000, with a total value of US\$119,968.

21. DIVIDENDS

Pre-listing dividends of US\$3.4m had been declared by Amicorp Fund Services Asia Limited, before the Company, Amicorp FS (UK) Plc, was inserted on 26 May 2023 as the holding company of the Group, in line with the listing prospectus dated 5 June 2023.

22. RELATED PARTIES TRANSACTIONS

(a) Transactions with Amicorp Group

The following transactions were carried out with related parties who are members of Amicorp Group.

	Year ended 31 December
	2023¹
	US\$'000
Revenue	3,231
Rental and remuneration expenses	1,031
Interest income derived from term deposits	35

¹Comparatives are excluded, given the Group had not been legally incorporated during the financial year ended 31 December 2022. Transactions with Amicorp Group under the carve-out principles in the historical financial years are included in the HFI of the listing prospectus dated 5 June 2023.

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Amounts due from related parties	3,711	4,374
Bank balances with Amicorp Bank Trusts	76	38
Term deposits with Amicorp Bank Trusts	505	-

The expected credit loss assessment does not have a material impact on the carrying amount of the amounts due from related companies, and no bad debt allowance associated with these balances was recognised.

(b) Transactions with related parties other than Amicorp Group

There has been no related party other than Amicorp Group that the Group enters into transactions with, related to fund administrative business, throughout the current financial year (prior year: same). The Group's transactions are conducted on an arm's length basis.

(c) Transactions with key management personnel, remuneration and other compensation

Executive members of the board (Executive Directors) are recognised as being key management personnel who are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

The summary of compensation of key management personnel is as follows:

	For the year ended 31 December	
	2023	2022
	US\$'000	US\$'000
Salaries and short-term benefits	823	648

Information on the remuneration of both the Executive Directors and Non-Executive Directors (including their respective interests in shares of the Company) is given in the remuneration report of this annual report.

23. CAPITAL RISK MANAGEMENT

The Group's objectives on managing capital are to finance its operations with its owned capital and to safeguard the Group's ability to continue as a going concern in order to provide returns for major stakeholders. The Group monitors the sufficiency of capital based on the positions of cash, net current assets and also total net assets.

Lease liabilities are not considered as debts for capital risk management given that corresponding right of use assets are recognised at inception for the equivalent amounts. There have been no external debts in both financial years ended 31 December 2022 and 31 December 2023, and the mentioned financial positions remain positive at a healthy level.

24. FINANCIAL RISK MANAGEMENT

The Group's major financial instruments include trade receivables, other receivables, deposit and prepayments, amounts due from related companies, cash and cash equivalent, and trade payables which are disclosed in respective notes. The risks associated with these financial instruments include liquidity risk, foreign currency risk, credit risk and interest rate risk. The policies on how to mitigate these risks are set out below. The management team manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the uses of cash surpluses, to cover expected cash demands, subject to approval by management when involved amounts exceeds certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity

requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay.

	Within 1 year or on demand US\$	2-5 years US\$	Total undiscounted cash flows US\$	Carrying amount US\$
As 31 December 2023				
Trade payables	151	-	151	151
Accrued payroll and employee benefits	459	-	459	459
Other provisions and payables	757	-	757	757
Lease liabilities	213	325	538	487
	<u>1,580</u>	<u>325</u>	<u>1,905</u>	<u>1,854</u>
At 31 December 2022				
Trade payables	201	-	201	201
Accrued payroll and employee benefits	288	-	288	288
Other provisions and payables	130	-	130	130
Deferred consideration	222	-	222	213
Lease liabilities	150	287	437	383
	<u>991</u>	<u>287</u>	<u>1,278</u>	<u>1,215</u>

(b) Market risk

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from its ongoing transactions and the financial assets and liabilities denominated in foreign currencies. Foreign exchange risk also arises from financial assets and liabilities denominated in the functional currencies in which they are measured. Translation exposures with a functional currency different from Group's presentation currency are not included in the assessment of Group's exposure to foreign currency risks in accordance with IFRS 7 – Financial Instruments: Disclosures.

In countries where the Group operates, except for Hong Kong, income and expenditure are predominantly derived in respective functional currencies and management therefore considers the transactional related foreign exchange risk is insignificant. In Hong Kong, income is predominantly derived in US\$ whilst the expenditure is in HK\$. Because of HK\$ having been pegged to US\$ at a fixed rate of 7.8 by Hong Kong government since 1983, it is concluded that its foreign currency risk against US\$ is minimal in the jurisdiction. Overall, the Group is not subject to significant foreign currency risks.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management considers the interest rate risk as insignificant to the Group since there has been no interest bearing borrowings, significant interest income or tangible assets with fair values substantially subject to interest rates.

(c) Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, contract assets and amounts due from related parties. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Management of credit risk involves a number of considerations, such as the financial profile of the counterparty, and specific terms and duration of the contractual agreement.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. The requirement for impairment is analysed at each reporting date on an individual basis for customers. The Group evaluates the concentration of risk with respect to trade and other receivables and contract assets as low, as its customer base consists of a large number of individual customers who operate in several jurisdictions, industries and largely independent markets.

The Group measures loss allowances for trade and other receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The Group does not have any significant credit risk exposure to any individual client or counterparty.

In respect of financial assets at amortised cost composed of trade and other receivables and amounts due from related companies, the directors are of the opinion that the credit risk is low because these companies have high credit quality and no recent history of default payment, and the loss allowance recognised during the year was therefore limited to 12 months ECLs.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset at the end of reporting period.

For transactions with open accounts, funds which equal to a certain percentage of the gross purchase amounts are deposited with the Group by debtors in advance before the execution of those transactions.

For transactions with letters of credit, transferrable letters of credit will be arranged to creditors to remove counterparty default risk.

(d) Financial instruments

IFRS 13 requires that the classification of financial instruments measured at fair value to be determined by reference to the source of inputs used to derive fair value, and that the fair values of all financial instruments held at amortised cost are approximately equal to their carrying values.

Financial assets include an investment, trade receivables, other receivables and deposits (excluding VAT receivables and prepayments), amounts due from related companies and cash and cash equivalents; financial liabilities are trade payables, accrued payroll and employee benefits, other provisions and payables, lease liabilities and also deferred consideration payable.

These financial assets and financial liabilities, except for an investment and deferred consideration payable, are all measured at amortised costs, approximate to their carrying values, while the investment and deferred consideration payable are measured at FVTP&L. See Note 16 for details of the deferred consideration payable on its valuation, inputs and fair value hierarchy.

25. COMMITMENTS

The Group rents various offices to conduct its business, which the Group has no control over, and hence these leases are not within the scope of IFRS 16 Leases. Such rental expenses incurred were charged to the income statement on a straight-line basis over the relevant lease periods.

For leases within scope of IFRS 16, lease liabilities are recognised (Note 17) to reflect the discounted committed future rental payments. Also, the portfolio of short-term leases to which the Group is committed at the end of the reporting periods are not dissimilar to that which the details of short-term lease expense disclosed on Note 17 relate to. Therefore, these two types of leases are excluded from this commitments disclosure.

The table below presents a maturity analysis of lease payments showing the undiscounted lease payments to be made on an annual basis:

	As at 31 December	
	2023	2022
	US\$'000	US\$'000
Minimum lease payments for non-cancellable leases:		
Within one year	468	709
Later than one year but not later than five years	-	-
	468	709
	468	709

26. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated based on the profit or loss for the financial year divided by the weighted average number of ordinary shares during the same financial year. Diluted EPS is calculated by adjusting the weighted average number of common shares to include the potentially dilutive effect of additional ordinary shares.

There have been no dilutive shares during the financial year ended 31 December 2023, and therefore the weighted average number of ordinary shares are the same for the calculations of both Basic EPS and Diluted EPS.

	Year ended 31 December	
	2023	2022
Net (loss) / profit in US\$'000	(14,000)	1,638,000
Weighted average number of ordinary shares (basic & diluted)	117,147,233	113,500,000
Basic EPS in USD cent	(0.01)	1.44
Diluted EPS in USD cent	(0.01)	1.44

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There have been no material subsequent events as of the report date.

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