SUSE

Interim Report of SUSE S.A. and its subsidiaries ("the SUSE Group")

For the six months ended 30 April 2022

Innovate Everywhere

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SUSE S.A.
11-13 Boulevard de la Foire
L-1528 Luxembourg
R.C.S. Luxembourg B 225816

Interim Consolidated Management Report

Introduction

SUSE S.A. (the "Company") (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 11-13 Boulevard de la Foire, L-1528 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B225816.

Key events

Increase in Revolving Credit Facility

On 21 December 2021, the original revolving credit facility of US$81.0 million was increased by US$88.3 million to US$169.3 million under the Senior Facilities Agreement. At the date of approval of these Interim Condensed Consolidated Financial Statements, the full amount was available for drawdown.

Risks and uncertainties

The Group's business model, future performance, solvency, liquidity and reputation are exposed to a variety of risks and uncertainties, including risks related to the Group's business activities and industry and specific legal and regulatory risks. The risks and uncertainties identified are consistent with those disclosed in the last annual financial statements for the year ended 31 October 2021.

Related party transactions

All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

Outlook

SUSE is pleased to report that the six months ended 30 April 2022 has been a period of strong financial performance. Whilst there remain macro-economic risks, SUSE will continue to focus on its differentiated strategy to deliver continued growth in revenues, with high profit margins and good cash conversion.

Melissa Di Donato
Member of the Management Board
SUSE S.A.

Andrew Myers
Member of the Management Board
SUSE S.A.

6 July 2022

Responsibility Statement

We, Melissa Di Donato (Chief Executive Officer) and Andrew Myers (Chief Financial Officer), confirm to the best of our knowledge, and in accordance with the applicable reporting principles, the Interim Condensed Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Consolidated Management Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Melissa Di Donato
Member of the Management Board
SUSE S.A.

Andrew Myers
Member of the Management Board
SUSE S.A.

6 July 2022

Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 April 2022

		Six months ended 30 April 2022			Six months ended 30 April 2021		
Income statement:	Notes	Headline US$'000	Separately reported items (Note 8) US$'000	Total US$'000	Headline US$'000	Separately reported items (Note 8) US$'000	Total US$'000
Revenue	7	**313,324**	-	**313,324**	**259,654**	-	**259,654**
Cost of sales		(25,368)	-	(25,368)	(19,822)	-	(19,822)
Gross profit		**287,956**	-	**287,956**	**239,832**	-	**239,832**
Selling and distribution costs		(90,941)	-	(90,941)	(66,217)	-	(66,217)
Research and development costs		(57,168)	-	(57,168)	(44,683)	-	(44,683)
Administrative expenses	8	(73,201)	-	(73,201)	(191,911)	(9,226)	(201,137)
Reversal of / (impairment loss) on trade receivables		493	-	493	166	-	166
Operating profit/(loss) before depreciation and amortization		**67,139**	-	**67,139**	**(62,813)**	**(9,226)**	**(72,039)**
Amortization of intangible assets	12	(72,446)	-	(72,446)	(73,398)	-	(73,398)
Depreciation – Property, plant and equipment		(1,874)	-	(1,874)	(2,281)	-	(2,281)
Depreciation/impairment – Right of use assets		(4,190)	-	(4,190)	(3,094)	-	(3,094)
Operating loss		**(11,371)**	-	**(11,371)**	**(141,586)**	**(9,226)**	**(150,812)**
Finance costs		(21,832)	-	(21,832)	(29,969)	-	(29,969)
Finance income		195	-	195	5	-	5
Net finance costs		**(21,637)**	-	**(21,637)**	**(29,964)**	-	**(29,964)**
Share of losses of associate		(1,372)	-	(1,372)	(1,110)	-	(1,110)
Loss before tax		**(34,380)**	-	**(34,380)**	**(172,660)**	**(9,226)**	**(181,886)**
Taxation	9	7,926	-	7,926	41,080	1,115	42,195
Loss for the period		**(26,454)**	-	**(26,454)**	**(131,580)**	**(8,111)**	**(139,691)**
Attributable to:							
Equity shareholders of the parent		(26,454)	-	(26,454)	(131,580)	(8,111)	(139,691)
Non-controlling interests		-	-	-	-	-	-
Loss for the period		**(26,454)**	-	**(26,454)**	**(131,580)**	**(8,111)**	**(139,691)**
Basic and diluted loss per share (USD/share)	10			**(0.2)**			**(99.8)**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 April 2022

	Notes	Six months ended 30 April 2022			Six months ended 30 April 2021		
		Headline US$'000	Separately reported items US$'000	Total US$'000	Headline US$'000	Separately reported items US$'000	Total US$'000
Loss for the period		**(26,454)**	**-**	**(26,454)**	**(131,580)**	**(8,111)**	**(139,691)**
Other comprehensive income:							
Items not to be reclassified to income statement:							
Remeasurement of defined benefit pension schemes		2,304	-	2,304	1,068	-	1,068
Related tax impact		(706)	-	(706)	(288)	-	(288)
Items that may be reclassified to income statement:							
Currency translation differences		36,369	-	36,369	(26,172)	-	(26,172)
Cash flow hedge – changes in fair value	**16(c)**	(49)	-	(49)	(423)	-	(423)
Cash flow hedge – reclassified to income statement	**16(c)**	4,386	-	4,386	4,453	-	4,453
Related tax impact		(1,003)	-	(1,003)	(990)	-	(990)
Other comprehensive income/(loss) for the period		**41,301**	**-**	**41,301**	**(22,352)**	**-**	**(22,352)**
Total comprehensive income/(loss) for the period		**14,847**	**-**	**14,847**	**(153,932)**	**(8,111)**	**(162,043)**
Attributable to:							
Equity shareholders of the parent		14,847	-	14,847	(153,932)	(8,111)	(162,043)
Non-controlling interests		-	-	-	-	-	-
Total comprehensive income/(loss) for the period		**14,847**	**-**	**14,847**	**(153,932)**	**(8,111)**	**(162,043)**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Financial Position (unaudited)

As at 30 April 2022

	Notes	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Non-current assets			
Goodwill	**12**	2,686,320	2,685,751
Intangible assets	**12**	461,936	537,056
Property, plant and equipment		10,342	8,157
Right of use assets		13,296	14,415
Investment in associate		12,669	14,041
Derivative asset		-	6
Long-term pension assets		612	648
Other receivables		8,245	7,899
Deferred tax assets	**9**	197,084	190,010
Contract related assets		67,004	55,510
		3,457,508	**3,513,493**
Current assets			
Trade and other receivables		156,637	138,038
Current tax receivables	**9**	1,663	1,663
Cash and cash equivalents		94,153	61,061
Contract related assets		30,907	28,865
		283,360	**229,627**
Total assets		**3,740,868**	**3,743,120**
Current liabilities			
Trade and other payables		85,988	129,656
Borrowings	**13**	3,600	3,600
Lease liabilities		4,715	6,012
Provisions	**14**	2,931	4,866
Current tax liabilities	**9**	4,204	11,510
Deferred income – contract liabilities	**15**	366,224	329,611
		467,662	**485,255**
Non-current liabilities			
Borrowings	**13**	712,576	742,148
Lease liabilities		11,163	10,708
Provisions	**14**	938	1,024
Non-current tax liabilities	**9**	7,439	7,439
Deferred tax liabilities	**9**	104,435	107,073
Retirement benefit obligations		3,171	6,552
Deferred income – contract liabilities	**15**	202,606	178,175
Derivative liabilities	**16**	-	5,182
Other payables		8,133	13,554
		1,050,461	**1,071,855**
Total liabilities		**1,518,123**	**1,557,110**
Equity			
Share capital	**17**	16,903	16,903
Share premium	**17**	2,523,011	2,523,011
Retained losses	**17**	(381,729)	(355,870)
Other reserves		43,057	21,169
Cash flow hedging reserve		-	(4,337)
Foreign currency translation reserve		21,503	(14,866)
Total equity		**2,222,745**	**2,186,010**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 April 2022

	Share capital US$'000	Share premium US$'000	Retained losses US$'000	Other reserve US$'000	Cash flow hedging reserve US$'000	Foreign currency translation reserve US$'000	Total equity US$'000
As at 1 November 2021	**16,903**	**2,523,011**	**(355,870)**	**21,169**	**(4,337)**	**(14,866)**	**2,186,010**
Loss for the period	-	-	(26,454)	-	-	-	**(26,454)**
Other comprehensive income for the period	-	-	595	-	4,337	36,369	**41,301**
Total comprehensive (expense)/income for the period	**-**	**-**	**(25,859)**	**-**	**4,337**	**36,369**	**14,847**
Transactions recorded in equity:							
Equity settled share-based payments	-	-	-	21,888	-	-	**21,888**
Total transactions with owners	**-**	**-**	**-**	**21,888**	**-**	**-**	**21,888**
As at 30 April 2022	**16,903**	**2,523,011**	**(381,729)**	**43,057**	**-**	**21,503**	**2,222,745**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 April 2021

	Share capital US$'000	Share premium US$'000	Retained losses US$'000	Other reserve US$'000	Cash flow hedging reserve US$'000	Foreign currency translation reserve US$'000	Total equity US$'000
As at 1 November 2020	**14**	**1,604,251**	**(130,824)**	**3,200**	**(12,798)**	**(16,498)**	**1,447,345**
Loss for the period	-	-	(139,691)	-	-	-	**(139,691)**
Other comprehensive (expense)/income for the period	-	-	(210)	-	4,030	(26,172)	**(22,352)**
Total comprehensive (expense)/income for the period	**-**	**-**	**(139,901)**	**-**	**4,030**	**(26,172)**	**(162,043)**
Transactions recorded in equity:							
Contribution of capital	-	174,036	-	-	-	-	**174,036**
Equity settled share-based payments	-	-	-	2,577	-	-	**2,577**
Total transactions with owners	**-**	**174,036**	**-**	**2,577**	**-**	**-**	**176,613**
As at 30 April 2021	**14**	**1,778,287**	**(270,725)**	**5,777**	**(8,768)**	**(42,670)**	**1,461,915**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 April 2022

	Notes	Six Months ended 30 April 2022 US$'000	Six Months ended 30 April 2021 US$'000
Loss for the period		**(26,454)**	**(139,691)**
Net finance costs	**13**	21,637	29,964
Taxation	**9**	(7,926)	(42,195)
Share of losses of associate		1,372	1,110
Operating loss for the period		**(11,371)**	**(150,812)**
Addback:			
Depreciation – Property, plant and equipment		1,874	2,281
Depreciation/impairment – Right of use assets		4,190	3,094
Amortization of intangible assets	**12**	72,446	73,398
Amortization of contract related assets		6,768	3,874
Share based payments expense		22,574	147,782
Restructuring charges		-	1,426
Foreign exchange movements		9,288	(3,256)
Impairment credit on trade receivables		(493)	(166)
Movements:			
Movements in trade receivables		(15,108)	(12,454)
Movements in other receivables		(4,543)	(4,134)
Movements in trade payables		(5,207)	1,119
Movements in other payables		(41,799)	(10,260)
Movement in other pensions		(538)	123
Movements in provisions		(2,021)	(3,063)
Movements in contract related assets		(20,304)	(21,798)
Movements in contract liabilities	**15**	58,089	49,940
Contract liabilities - fair value haircut	**7**	3,168	7,493
Contract assets - fair value haircut		(213)	-
Cash generated from operations		**76,800**	**84,587**
Interest paid		(15,126)	(28,817)
Interest received		6	5
Tax paid	**9**	(10,541)	(4,020)
Net cash inflow from operating activities		**51,139**	**51,755**
Cash flow used in investing activities			
Purchase of property, plant and equipment		(4,666)	(754)
Purchase and development of intangible assets	**12**	(660)	(3,285)
Acquisition of a business, net of cash	**11**	(2,545)	(489,424)
Net cash outflow from investing activities		**(7,871)**	**(493,463)**
Net cash inflow/(outflow) before financing activities		**43,268**	**(441,708)**

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 April 2022

	Notes	Six Months ended 30 April 2022 US$'000	Six Months ended 30 April 2021 US$'000
Cash flows from/(used in) financing activities			
Proceeds from contribution of share premium		-	135,338
Proceeds from bank borrowings		-	300,000
Payment of arrangement fees		-	(4,014)
Repayment of bank borrowings	**13**	(1,800)	(1,800)
Payment of interest rate swap premia	**16**	(4,386)	(4,453)
Lease payments		(2,230)	(1,982)
Loan repaid by intermediary parent undertaking		-	1,500
Net cash (outflow)/inflow from financing activities		**(8,416)**	**424,589**
Net increase/(decrease) in cash and cash equivalents		**34,852**	**(17,119)**
Foreign exchange movements		(1,760)	(68)
Cash and cash equivalents at beginning of period		61,061	94,933
Cash and cash equivalents at end of period		**94,153**	**77,746**

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

1. General information

SUSE S.A. (the "Company") (société anonyme) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 11-13 Boulevard de la Foire, L-1528 Luxembourg and is registered with the Luxembourg Register of Commerce and Companies under number B225816.

The principal activity of the Group is that of an enterprise software company. The Group is a pioneer in opensource software which develops, markets and supports an enterprise grade 'Linux' operating system, opensource software defined infrastructure and application delivery solutions that give enterprises greater control and flexibility over their IT systems.

The Company together with its wholly owned subsidiaries (the "Group" or the "SUSE Group") collectively represent the operations of SUSE. These Interim Condensed Consolidated Financial Statements of the Group are as at and for the six months ended 30 April 2022. These Interim Condensed Consolidated Financial Statements present the results of the Group as a whole. Details of the financial statements of the Company can be obtained at their registered office and at the Luxembourg Register of Commerce and Companies.

These Interim Condensed Consolidated Financial Statements were authorized for issuance on 6 July 2022.

Information presented in the notes to these Interim Condensed Consolidated Financial Statements has been presented in a systematic manner and typically following the order of the line items in the Interim Condensed Consolidated Statement of Comprehensive Income and the Interim Condensed Consolidated Statement of Financial Position.

2. Basis of preparation

A. Basis of measurement

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and should be read in conjunction with the Group's last annual Consolidated Financial Statements as at and for the year ended 31 October 2021 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS" or "IFRS").

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

B. Going concern

The directors consider that the Company and its subsidiaries have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Interim Condensed Consolidated Financial Statements.

The directors reviewed and assessed downside scenarios considered to be severe but plausible based on the principal risks and uncertainties to validate the continued application of the going concern basis in the preparation of the Interim Condensed Consolidated Financial Statements of the Group.

(i) Operations

The Group operates in a virtual environment and has the systems and processes that enables its employees and operations to continue to function in a remote environment across all departments and geographical areas.

2. Basis of preparation (continued)

B. Going concern (continued)

(ii) Liquidity

The directors evaluated the Group's funding position, liquidity and financial covenant profile to ensure it had sufficient access to liquidity and covenant headroom for the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing the Group's Interim Condensed Consolidated Financial Statements. As at 30 April 2022, the Group had available liquidity of US$263.5 million (US$94.2 million in cash and US$169.3 million in available headroom on the Revolving Credit Facility).

(iii) Impairment and overall business review

Management view that significant non-current assets such as goodwill, intangible assets and deferred tax assets continue to be carried at an amount that is at least the recoverable amount.

Management continues to monitor and observe performance to ensure changes in circumstances or events do not impact this assessment. Accordingly, they continue to adopt a going concern basis in preparing these Interim Condensed Consolidated Financial Statements of the Group.

C. Functional and presentational currency

The financial statements are presented in thousands of US dollars (denoted as "US$"), which is the functional currency of the Company in addition to several principal subsidiaries of the Group.

3. Critical judgements and sources of estimation uncertainty

The preparation of these Interim Condensed Consolidated Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Group's accounting policies. In other respects, the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Interim Condensed Consolidated Financial Statements are consistent with those disclosed in Note 3 'Critical judgements and sources of estimation uncertainty' in the last annual financial statements.

Management considers the following critical judgments to specifically relate to the period under review:

A. Identification and measurement of assets and liabilities acquired in a business combination

Goodwill and other intangible assets such as intellectual property and customer relationships are subject to allocation adjustments under the acquisition method of accounting for business combinations. Management evaluates the best available evidence for the allocation and measurement of intangible assets.

B. Potential impairment of goodwill

Goodwill has an indefinite life and is subject to impairment testing annually, performed in the final quarter of the financial year, and if indicators of impairment are identified. As at 30 April 2022, having performed a review considering relevant internal and external factors, Management have concluded that no such impairment indicators exist and therefore a detailed impairment test is not required.

4. Significant accounting policies

The principal accounting policies adopted by the Group in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those disclosed in Note 4 'Significant accounting policies' in the last annual financial statements.

5. Financial risk factors

The financial risk factors identified by the Group in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those disclosed in Note 29 *'Financial Risk Management'* in the last annual financial statements.

6. Segmental analysis

In accordance with IFRS 8 Operating Segments, the Group has derived the information for its segmental reporting using the information used by the Chief Operating Decision Makers ("CODMs") for the purposes of resource allocation and assessment of segment performance. The CODMs comprise the SUSE Leadership Team ("Key Management Personnel"). The Group is organized into a single reporting segment for the following reasons:

- All key decision-making and overall control is centralized;
- Only revenues (and not profits) are reviewed on a geographical level; and
- Costs of the Group are reviewed at a functional level.

As the Group comprises a single reporting segment, the results reported in these Interim Condensed Consolidated Financial Statements and accompanying notes relate to this single segment. Further disaggregation of the Group's total revenue is disclosed in Note 7. All segment revenue is derived wholly from external customers and, as the Group has a single reportable segment, inter-segment revenue is zero. The Group is not dependent on any single customer for its revenue and no single customer in the current or prior periods, accounts for more than 10% of the Group's revenue. The total of non-current assets other than financial instruments and deferred tax assets of the segment is as follows:

	As at 30 April 2022 US$'000	**As at 31 October 2021 US$'000**
Europe, Middle East and Africa	1,210,944	1,233,346
North America	2,045,630	2,085,479
Asia Pacific and Japan	1,313	1,970
Greater China	2,008	2,233
Latin America	529	449
Sub-total	**3,260,424**	**3,323,477**
Derivative asset	-	6
Deferred tax assets	197,084	190,010
Total non-current assets	**3,457,508**	**3,513,493**

7. Revenue

Subscription revenue is recognized as a single performance obligation over the contractual term of a contract. In determining the transaction price, the Group considers the effects of reseller rebates to be the main source of variable consideration where certain customers are entitled to rebates on the basis of volume of unit sales generated within a period.

(a) Analysis of revenue from contracts with customers

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
Recognized over time:		
- Subscription revenue	291,605	247,098
Recognized at a point in time:		
- Subscription revenue	13,785	7,394
- Consulting revenue	7,934	5,162
Total revenue	**313,324**	**259,654**

On 15 March 2019, the Group acquired contract liabilities with a fair value of US$334.8 million. On 25 November 2020, the Group acquired contract liabilities with a fair value of US$26.4 million. On 27 October 2021, the Group acquired contract liabilities with a fair value of US$2.8 million. The following table shows the impact of the acquisition accounting adjustment of the contract liability haircut on recognized revenues:

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
Effect of contract liability haircut:		
Recognized revenue before fair value adjustment	316,279	267,147
Contract liability haircut amortized	(2,955)	(7,493)
Total revenue	**313,324**	**259,654**

(b) Revenue by product type

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
Core products	261,908	234,225
Emerging products	51,416	25,429
Total revenue	**313,324**	**259,654**

(c) Revenue by route to market

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
End user	262,452	209,473
Independent Hardware Vendor & Embedded	50,872	50,181
Total revenue	**313,324**	**259,654**

7. Revenue (continued)

(d) Revenue by geographical location

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
Europe, Middle East and Africa	146,096	124,570
North America	114,423	91,960
Asia Pacific and Japan	22,886	18,320
Greater China	19,400	17,880
Latin America	10,519	6,924
Total revenue	**313,324**	**259,654**

8. Separately reported items

The Group has adopted a columnar presentation in its presentation of the Interim Condensed Consolidated Statement of Comprehensive Income in order to disaggregate items of specific importance from operations in the normal course (referred to as "Headline"). In doing so, Management considers that this gives a better indication of the underlying results of the ongoing business. Such items are those which are expected to have standalone significance and are typically confined to a single financial reporting period. In determining this format, Management note IAS 1 *Presentation of Financial Statements* does not provide definitive guidance as to the format of the Interim Condensed Consolidated Statement of Comprehensive Income, but states key lines, which should be disclosed. It also encourages the disclosure of additional line items and the reordering of items presented on the face of the Interim Condensed Consolidated Statement of Comprehensive Income when appropriate for a proper understanding of the entity's financial performance.

	Six months ended 30 April 2022 US$'000	Six months ended 30 April 2021 US$'000
Separately reported items:		
Transaction costs – acquisition of Rancher Group	-	3,365
Transaction costs – initial public offering	-	4,435
Total transaction costs	-	7,800
Costs arising from a restructuring program	-	1,426
Expense items forming part of operating losses	**-**	**9,226**
Tax credit on transaction and restructuring costs	-	(1,115)
Total tax (credit) reported separately	**-**	**(1,115)**
Separately reported items, net	**-**	**8,111**

Transaction costs were US$ nil (*six months ended 30 April 2021: US$7.8 million*) for the six months ended 30 April 2022. Prior period transaction costs relate to legal and other fees associated with the acquisition of the Rancher Group and transaction costs relating to the partial placing of the share capital of the Group on the Frankfurt Stock Exchange that are not deemed directly attributable to the issuance of equity.

Restructuring costs were US$ nil (*six months ended 30 April 2021: US$1.4 million*) for the six months ended 30 April 2022. Prior period restructuring costs relate to a program announced during the 2020 financial year to align the operations of the Group with its strategic objectives.

9. Taxation

Taxation for the period is a credit of US$7.9 million (*six months ended 30 April 2021: US$42.2 million credit*) in respect of the loss before tax of US$34.4 million (*six months ended 2021: US$181.9 million*), which represents an effective tax rate of 23.1% (*six months ended 2021: 23.2%*). The effective tax rate for the period of 23.1% is lower than the statutory tax rates of the territories in which the Group operates of 26.5% (*six months ended 2021: 25.9%*). This is mainly the result of irrecoverable withholding tax, the partial disallowance of interest expenses in Germany, non-deductible foreign exchange differences in Ireland and the accounting for share based payment arrangements.

10. Earnings per share

Basic and diluted EPS is calculated by dividing the loss attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the year.

Long-term incentive awards have an antidilutive impact on earnings per share as their conversion to ordinary shares would decrease loss per share from continuing operations.

	Six months ended 30 April 2022	Six months ended 30 April 2021
Loss for the period (US$'000)	(26,454)	(139,691)
Weighted average number of ordinary shares in issue (number)	169,027,117	1,400,000
Basic and diluted loss per share (US$ per share)	**(0.2)**	**(99.8)**

11. Business combinations

(a) Acquisition of NeuVector (27 October 2021)

On 27 October 2021, the Group acquired 100% of the assets and liabilities of NeuVector Inc ("NeuVector"), which is a non-listed entity headquartered in San Jose, CA. NeuVector provides full lifecycle container security, offering end to end security for modern container infrastructures.

The net assets recognised in the last annual financial statements were based on a provisional assessment of their fair value while the Group finalized the fair values of identifiable assets and liabilities.

(i) Purchase consideration

Total consideration of US$131.2 million was satisfied in cash (US$100.8 million), a transfer of certain liabilities payable by the acquirer (US$1.3 million) and the transfer of shares in SUSE S.A. (US$29.1 million). The analysis of cash flows on acquisition is as follows:

	US$'000
Cash outflow on investing activity:	
Cash consideration paid and payable	(102,145)
Net cash acquired	2,260
Net cash outflow on acquisition	**(99,885)**

11. Business combinations (combinations)

(a) Acquisition of NeuVector (27 October 2021)

(ii) Identification of net assets acquired

In April 2022, the fair values of the identifiable assets and liabilities of NeuVector as at the date of acquisition were updated as follows:

	Fair value recognized on acquisition US$'000
Identifiable assets at fair value	
Intangible assets	21,053
Property, plant and equipment	65
Right of use assets	835
Trade and other receivables	2,285
Deferred tax assets	670
Cash and cash equivalents	2,260
Total assets	**27,168**
Identifiable liabilities at fair value	
Trade and other payables	584
Lease liabilities	835
Deferred income – contract liabilities	2,778
Deferred tax liabilities	4,760
Total liabilities	**8,957**
Net identifiable assets at fair value	**18,211**

(iii) Goodwill

The updated fair values of identifiable assets and liabilities resulted in an increase of US$0.6 million to goodwill recognized on acquisition from US$112.4 million to US$113.0 million.

	US$'000
Total consideration	131,211
Net identifiable assets at fair value	(18,211)
Goodwill recognized on acquisition	**113,000**

Goodwill is attributable mainly to the growth opportunities in the markets NeuVector operate in, the skills and technical talent of NeuVector's workforce and synergies expected to be achieved.

12. Goodwill and intangible assets

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Asset class	Remaining useful life at reporting date
Purchased software	Varies by contractual term of license
Development costs	7.8 years
Intellectual property	2.0 – 2.5 years
Customer relationships	0.2 – 7.2 years
Non-compete agreements	1.5 years

Intellectual property is amortized over the period in which the Group expects to derive benefit on the basis of technical obsolescence. Customer relationships are amortized on the basis of average contract duration reflecting the approximate mix of acquired customer contracts.

(a) Rollforward of goodwill and intangible assets

	Development costs US$'000	Purchased software US$'000	Intellectual property US$'000	Customer relationships US$'000	Non-compete agreements US$'000	Goodwill US$'000	Total US$'000
Current period							
Cost							
1 November 2021	**10,065**	**38,300**	**358,991**	**461,888**	**2,632**	**2,685,751**	**3,557,627**
Acquired in the period	-	660	-	-	-	-	660
Acquired through a business combination	-	-	-	-	-	-	-
Business combination re-measurements (Note 11)	-	-	(1,047)	-	-	569	(478)
FX movements	(887)	(3,231)	-	-	-	-	(4,117)
30 April 2022	**9,178**	**35,730**	**357,944**	**461,888**	**2,632**	**2,686,320**	**3,553,692**
Accumulated amortization							
1 November 2021	**1,933**	**15,293**	**182,766**	**134,025**	**803**	**-**	**334,820**
Charge for the period	561	4,586	34,707	32,154	438	-	72,446
FX movements	(176)	(1,570)	(59)	(26)	-	-	(1,831)
30 April 2022	**2,319**	**18,309**	**217,414**	**166,153**	**1,241**	**-**	**405,335**
Carrying value							
30 April 2022	**6,860**	**17,420**	**140,530**	**295,735**	**1,391**	**2,686,320**	**3,148,256**
1 November 2021	8,132	23,007	176,225	327,863	1,829	2,685,751	3,222,807

12. Goodwill and intangible assets (continued)

(a) Rollforward of goodwill and intangible assets (continued)

	Development costs US$'000	Purchased software US$'000	Intellectual property US$'000	Customer relationships US$'000	Non-compete agreements US$'000	Goodwill US$'000	Total US$'000
Prior year							
Cost							
1 November 2020	**9,046**	**27,823**	**315,963**	**360,005**	**-**	**2,134,881**	**2,847,718**
Acquired in the period	1,021	9,475	-	-	-	-	10,496
Acquired through a business combination	-	-	43,028	101,883	2,632	550,870	698,413
FX movements	(2)	1,002	-	-	-	-	1,000
31 October 2021	**10,065**	**38,300**	**358,991**	**461,888**	**2,632**	**2,685,751**	**3,557,627**
Accumulated amortization							
1 November 2020	**788**	**7,125**	**113,278**	**72,276**	**-**	**-**	**193,467**
Charge for the period	1,180	8,082	69,301	62,614	803	-	141,980
FX movements	(35)	86	187	(865)	-	-	(627)
31 October 2021	**1,933**	**15,293**	**182,766**	**134,025**	**803**	**-**	**334,820**
Carrying value							
31 October 2021	**8,132**	**23,007**	**176,225**	**327,863**	**1,829**	**2,685,751**	**3,222,807**
1 November 2020	8,258	20,698	202,685	287,729	-	2,134,881	2,654,251

(b) Carrying value assessment

The annual impairment test of goodwill is performed on a single Group operating segment level. This represents the Group as a whole, being a single operating segment under IFRS 8 Operating Segments, that is the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Goodwill had a carrying value of US$2,686.3 million (*31 October 2021: US$2,685.8 million*) as at the balance sheet date and is tested for impairment annually. The Group performed its annual impairment test as of '30 September 2021' during October 2021. As at 30 April 2022, no indicators of impairment were identified.

13. Borrowings

(a) Amounts outstanding at the reporting date

Loan note description	Contractual Interest Terms	Effective Interest Rate	Contractual Maturity Date	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Current borrowings					
USD 360,000,000 (B1)	LIBOR + 3.25%	6.46%	March 2026	3,600	3,600
EUR 300,000,000 (B2)	EURIBOR + 3.5%	4.03%	March 2026	-	-
USD 300,000,000 (SC)	LIBOR + 4%	4.98%	Nov 2027	-	-
USD 169,300,000 (RCF) *	LIBOR/EURIBOR + 3%	5.68%	Sept 2025	-	-
Total current interest-bearing loans and borrowings				**3,600**	**3,600**
Non-current borrowings					
USD 360,000,000 (B1)	LIBOR + 3.25%	6.46%	March 2026	335,927	336,570
EUR 300,000,000 (B2)	EURIBOR + 3.5%	4.03%	March 2026	309,972	339,329
USD 300,000,000 (SC)	LIBOR + 4%	4.98%	Nov 2027	66,677	66,249
USD 169,300,000 (RCF) *	LIBOR/EURIBOR + 3%	5.68%	Sept 2025	-	-
Total non-current interest-bearing loans and borrowings				**712,576**	**742,148**
Total interest-bearing loans and borrowings				**716,176**	**745,748**

On 21 December 2021, the original revolving credit facility of US$81.0 million was increased by US$88.3 million to US$169.3 million under the Senior Facilities Agreement. At the date of approval of these Interim Condensed Consolidated Financial Statements, the full amount was available for drawdown.

Total arrangement fees of *US$42.0 million* (*31 October 2021: US$42.4 million*) are included in the calculation of the amortized cost using the effective interest method.

(b) Net finance costs

Net finance costs for the period were *US$21.6 million* (*six months ended 30 April 2021: US$30.0 million*). Net finance costs predominately relate to interest payable on external borrowings, amortization of arrangement fees and fair value losses on derivative instruments not qualifying for hedge accounting net of interest income earned. The decrease in net finance costs for the six months ended 30 April 2022 in comparison to the prior period is attributed to the prior year loan modification arising from the repayment of 2nd Lien note, the partial repayment of the Side Car facility and the revaluation of derivative liabilities.

13. Borrowings (continued)

(c) Reconciliation of movement in Consolidated Net Leverage

	As at 1 November 2021 US$'000	Acquisitions US$'000	Foreign exchange US$'000	Other movements US$'000	Cash flow US$'000	As at 30 April 2022 US$'000
Related to borrowings:						
Interest bearing borrowings	(745,748)	-	30,172	(2,400)	1,800	(716,176)
Capitalized arrangement fees	(42,409)	-	-	409	-	(42,000)
Amortization of arrangement fees	24,011	-	-	2,026	-	26,037
(Gain)/loss on loan modification	(710)	-	-	-	-	(710)
Movement in borrowings	**(764,856)**	**-**	**30,172**	**35**	**1,800**	**(732,849)**
Related to other items:						
Other payables	(19,297)	-	-	4,726	-	(14,571)
Cash and cash equivalents	61,061	-	(1,760)	-	34,852	94,153
Consolidated net leverage	**(723,092)**	**-**	**28,412**	**4,761**	**36,652**	**(653,267)**

Other payables amounts relate to unpaid software liabilities of US$14.6 million (*31 October 2021*: US$19.3 million). US$6.8 million (*31 October 2021*: US$6.7 million) is included in current other payables and US$7.8 million (*31 October 2021*: US$12.6 million) in non-current other payables. These amounts are included in the movement in other payables in the Interim Condensed Consolidated Statement of Cash Flows.

Repayments of borrowings of US$1.8 million (six months ended 30 April 2021: US$1.8 million), payments of premia on interest rate swaps of US$4.4 million (six months ended 30 April 2021: US$4.5 million), payments of arrangement fees of US$ nil (six months ended 30 April 2021: US$4.0 million) and lease payments of US$2.2 million (six months ended 30 April 2021: US$2.0 million) result in a net cash outflow from financing activities during the period of US$8.4 million (six months ended 30 April 2021: US$424.6 million inflow). Prior period payments were offset by proceeds of borrowings of US$300.0 million, proceeds from contribution of share premium of US$135.3 million and proceeds from the repayment of a related party loan of US$1.5 million.

The Group currently does not expect any changes to the repayment schedule and no further adjustment or modification to the allocation of the capitalized arrangement fees was required.

14. Provisions

	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Dilapidation provision	956	1,090
Loss-making provision	1,957	2,754
Restructuring provision	711	1,810
Legal provision	245	236
Total provisions	3,869	5,890
Split as:		
Current	2,931	4,866
Non-current	938	1,024
Total provisions	**3,869**	**5,890**

Dilapidation provisions relate to leased office buildings with contractual obligations to restore the premises to its original condition on lease expiration. The provision is expected to be fully utilized between 2 and 10 years.

A provision for loss-making operations was identified on acquisition. During the period, US$0.8 million of the provision was utilized reflecting the net cash cost of fulfilling the contractual obligations of the loss-making operation.

The restructuring provision includes the costs of initiatives to rationalize operating activities and was announced by Management in October 2020. The provision was intended to mainly cover employee termination costs and was expected to be fully utilised by October 2021. During the six-month period ended 30 April 2022 the Group utilized US$0.7 million of the provision and released US$0.4 million of the provision which was no longer required. The restructure is now complete, and the remaining provision is being released to match ongoing contractual payments that were agreed as part of the restructure. All ongoing restructuring costs arise from normal business as usual activities and are recorded within the Headline results of the Group.

Legal provisions of US$0.2 million include Management's best estimate of the likely outflow of economic benefits associated with legal matters.

15. Deferred income - contract liabilities

Revenue billed but not recognized in the Statement of Comprehensive Income is classified as 'contract liabilities – deferred income'. Contract liabilities primarily relates to undelivered subscription services on multi-year billed contracts.

	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Presentation in Statement of Financial Position:		
Current	366,224	329,611
Non-current	202,606	178,175
Total deferred income - contract liabilities	**568,830**	**507,786**

Contract liabilities as at 30 April 2022 were US$568.8 million (*31 October 2021: US$507.8 million*) and included an unamortized fair value reserve of US$4.2 million (*31 October 2021: US$7.3 million*) relating to deferred income acquired through business combinations.

15. Deferred income - contract liabilities (continued)

Remaining performance obligations represents contracted revenue that has not yet been recognized and which includes amounts that will be invoiced and recognized as revenue in future periods. The remaining performance obligations were US$122.8million as at 30 April 2022 (31 October 2021: US$92.2 million).
The movement in contract liabilities during the financial year is detailed as follows:

	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Deferred income roll-forward:		
Beginning of year	507,786	402,474
Acquired during year	-	33,644
Fair value adjustment recorded on acquisition	-	(4,465)
Business combination re-measurements (Note 11)	(38)	-
Fair value of contract liabilities acquired	(38)	29,179
Plus:		
Amounts invoiced during year	376,283	636,028
Amounts recognized during year	(313,324)	(559,539)
Other adjustments	(1,877)	(356)
End of year	**568,830**	**507,786**

16. Financial risk management

The table below sets out the carrying amounts of financial assets and liabilities of the Group as at the reporting date:

Financial assets – current period	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Non-current assets				
Derivative assets	-	-	-	-
Current assets				
Cash and cash equivalents	94,153	-	-	94,153
Trade receivables	127,141	-	-	127,141
Other receivables	14,314	-	-	14,314
As at 30 April 2022	**235,608**	**-**	**-**	**235,608**

Financial assets – prior period	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Non-current assets				
Derivative assets	-	-	6	6
Current assets				
Cash and cash equivalents	61,061	-	-	61,061
Trade receivables	112,033	-	-	112,033
Other receivables	13,660	-	-	13,660
As at 31 October 2021	**186,754**	**-**	**6**	**186,760**

16. Financial risk management (continued)

Financial liabilities – current period	Amortized cost	FVOCI	FVTPL	Total
	US$'000	US$'000	US$'000	US$'000
Current liabilities				
Trade payables	6,496	-	-	6,496
Borrowings	3,600	-	-	3,600
Non-current liabilities				
Derivative liabilities	-	-	-	-
Borrowings	712,576	-	-	712,576
As at 30 April 2022	**722,672**	**-**	**-**	**722,672**

Financial liabilities –prior period	Amortized cost	FVOCI	FVTPL	Total
	US$'000	US$'000	US$'000	US$'000
Current liabilities				
Trade payables	11,703	-	-	11,703
Borrowings	3,600	-	-	3,600
Non-current liabilities				
Derivative liabilities	-	4,337	845	5,182
Borrowings	742,148	-	-	742,148
As at 31 October 2021	**757,451**	**4,337**	**845**	**762,633**

The Group does not hold any financial instruments that are classified as level 1 assets or liabilities as at 30 April 2022 (31 October 2021: none).

Derivative financial instruments measured at fair value are classified as level 2 in the fair value measurement hierarchy as they have been determined using significant inputs based on observable market data. The fair values of financial derivatives are derived from forward interest rates based on yield curves observable at the reporting date together with the contractual interest rates.

Interest-bearing borrowings are initially measured at fair value, net of transaction costs incurred. Subsequent to initial recognition, they are stated at amortized cost using the effective interest method. Interest-bearing borrowings are classified as level 2 in the fair value measurement hierarchy. Future cash outflows for principal and interest are discounted over the remaining term using market interest rates at the reporting date.

For other financial instruments such as trade and other receivables, cash and cash equivalents, trade and other payables, fair values approximate to book values due to the short maturity periods of these financial instruments. For trade and other receivables, allowances are made within book value for credit risk. There were no transfers of assets or liabilities between levels of the fair value hierarchy during the current or prior periods.

The Group's multi-national operations expose it to a variety of financial risks that include the effects of changes in credit risk, foreign currency risk, interest rate risk and liquidity risk. Risk management is carried out by Group Treasury under the direction of Management. Group Treasury identifies and evaluates financial risks alongside the Group's operating units.

The financial risk factors identified by the Group in the preparation of the Interim Condensed Consolidated Financial Statements are consistent with those disclosed in Note 29 'Financial Risk Management' in the last annual financial statements.

16. Financial risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or financial institution fails to meet its contractual obligations and arises principally from the Group's receivables from customers and financial institutions. Financial instruments which potentially expose the Group to a concentration of credit risk consist primarily of cash and cash equivalents and trade receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	As at 30 April 2022 US$'000	As at 31 October 2021 US$'000
Trade receivables	127,141	112,033
Cash and cash equivalents	94,153	61,061
Total	**221,294**	**173,094**

(i) Impairment of trade receivables

The Group provides credit to customers in the normal course of business. Collateral is not required for those receivables, but on-going credit evaluations of customers' financial conditions are performed. The Group maintains a provision for impairment based upon the expected collectability of accounts receivable.

During the period a US$0.5 million (six months ended 2021: US$0.2 million reversal) reversal of the loss allowance was recognized in the Interim Condensed Consolidated Statement of Comprehensive Income. The Group applies the IFRS 9 Financial Instruments simplified approach to measure its expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. The expected loss rates are based on the actual credit loss experience. These historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors. The Group has identified macro-economics and country specific risks, to be the most relevant factors and has adjusted the historical loss rates based on expected changes in these factors.

(ii) Impairment of cash and cash equivalents

The risk of counterparty default arising on cash and cash equivalents is controlled by banking with high quality institutions. The Group considers that its cash and cash equivalents have low credit risk based on the external ratings of the counterparties.

(b) Market risk

Market risk is the risk that changes in market prices will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

The Group's Treasury function aims to reduce exposures to interest rate, foreign exchange and other capital management risks, to ensure liquidity is available as and when required, and to invest cash assets safely and profitably. The Group does not engage in speculative trading in financial instruments.

The Group manages its capital structure and adjusts considering changes in economic conditions and the requirements of the financial covenants associated with borrowings. The Group monitors capital using a debt/equity gearing ratio in accordance with its borrowing agreements. Consolidated Net Leverage, applying the definition in the Group's Senior Facilities Agreement and Second Lien Facility Agreement, comprises the net total of current and non-current interest-bearing borrowings, unpaid software liabilities and cash and short-term depositions.

No changes were made in the objectives, policies or processes for managing capital during the reporting period.

16. Financial risk management (continued)

(c) Hedging activities and derivatives

The Group is exposed to certain cash flow risks relating to its ongoing business operations and financing structure. The primary risk managed using derivative instruments is interest rate risk. The fair value of derivative assets and liabilities as at 30 April 2022 was as follows:

	As at 30 April 2022		As at 31 October 2021	
	Derivative Assets US$'000	**Derivative Liabilities US$'000**	**Derivative Assets US$'000**	**Derivative Liabilities US$'000**
Derivative not designated as hedging instruments:				
- Interest rate caps	-	-	6	-
- Embedded derivative liability	-	-	-	845
Derivative not designated as hedging instruments:				
- Interest rate swap	-	-	-	4,337
Total	**-**	**-**	**6**	**5,182**

(i) Embedded derivatives

During 2019, the Group entered into a US$270.0 million loan agreement with an interest rate of LIBOR +7%. An embedded LIBOR floor of 1% and prepayment option were separated and carried at fair value. The fair value of the embedded derivative was US$ nil (31 October 2021: US$0.8 million) at 30 April 2022.

(ii) Derivatives not designated as hedging instruments

During 2019, the Group entered a EUR 200 million EURIBOR interest rate cap and USD 105 million LIBOR interest rate cap to reduce interest rate volatility. Both interest rate caps have a termination date of 30 April 2022 and are designated at fair value through profit and loss. The fair values of these derivatives as at 30 April 2022, included in other financial assets were US$ nil (31 October 2021: US$6 thousand).

(iii) Cash flow hedges

As at 31 October 2021, the Group had an interest rate swap agreement in place with a notional amount of US$315 million to hedge the exposure to variable interest in a US$360 million loan. Under this agreement, the Group pays a fixed rate of interest of 2.927% and receives interest at a variable rate equal to one-month LIBOR on the notional amount. The agreement matured in April 2022. The amounts relating to items designated as hedging instruments as at 30 April 2022 were as follows:

	As at 30 April 2022 US$'000	**As at 31 October 2021 US$'000**
At beginning of period	4,337	12,798
Other comprehensive income:		
Cash flow hedge reserve	49	502
Payments reclassified to profit or loss	(4,386)	(8,963)
Total	**-**	**4,337**

Premia paid of US$4.4 million (*31 October 2021: US$9.0 million*) have been recycled from the cash flow hedge reserve during the period.

17. Capital and reserves

(a) Share capital

At 30 April 2022, the subscribed capital of the Company was US$16,902,712 (2021: US$16,902,712) as represented by 169,027,117 (2021: 169,027,117) shares without nominal value.

(b) Share premium

At 30 April 2022, the share premium of the Company amounted to US$2,523.0 million (2021: US$2,523.0 million).

(c) Retained losses

Retained losses as at 30 April 2022 amounted to US$381.7 million (2021: US$355.9 million) and included the Group's loss for the period of US$26.5 million and other comprehensive income of US$41.2 million.

(d) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

(e) Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

(f) Reserve requirements as a matter of Luxembourg company law

In accordance with relevant law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

18. Related party relationships

To enable users of the financial statements to form a view on the effects of related party relationships on the Group, related party relationships are disclosed where control exists, irrespective of whether there have been transactions between related parties.

All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

(i) Ultimate controlling party

The ultimate controlling party of the Group is EQT Fund Management SARL, a limited liability company registered with the Luxembourg Register of Commerce and Companies.

(ii) Transactions with subsidiaries

All transactions between subsidiaries of the Group are in the normal course of business. Transactions between Group subsidiaries are eliminated on consolidation. Further details of the subsidiaries of the Group are included in Note 17 of the last annual financial statements.

(iii) Transactions with associate investments

All transactions with associate investments are in the normal course of business. There were no transactions with associate investments during the year. Further details are included in Note 18 of the last annual financial statements.

18. Related party relationships (continued)

(iv) Transactions with key management personnel

The remuneration of key management personnel is set out in Note 31 of the last annual financial statements. Details of share-based payment awards are included in Note 15.

(v) Transactions with members of the Supervisory Board

The remuneration of the Supervisory Board was set out in the last annual financial statements.

(vi) Transactions with shareholders

There were no other transactions with shareholders during the period.

(vii) Transactions with other related parties

Pension contributions to Group schemes are disclosed in Note 26 of the last annual financial statements.

19. Commitments and contingencies

(i) Director and officer insurance

The Group maintains insurance cover for all Directors and officers of Group companies against liabilities which may be incurred by them while acting in that capacity at the Group's request.

(ii) External borrowings guarantee

The obligations of the obligor members of the Group under the external loan agreements (Senior Facilities Agreement and the related finance documents) are secured (subject to certain agreed security principles) by liens granted by obligor members of the Group over shares in obligor members of the Group, material intercompany receivables and material bank accounts. The Group's guarantees under the external loan agreements include upstream, cross-stream and downstream guarantees by obligor members of the Group to each finance party under such agreements for the punctual performance by each other obligor member of the Group of their obligations under such agreements (subject to jurisdiction-specific guarantee limitations as set out therein).

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