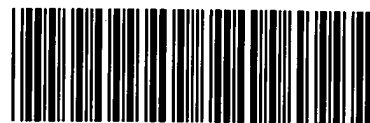

A.T. Kearney Holdings Limited and Subsidiaries

Registered number 05625494

*Annual Report and Financial Statements for the Year ended
December 31, 2023 and 2022*



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A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

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STRATEGIC REPORT - Registered Number 05625494

Principal Activities

A.T. Kearney Holdings Limited (the “Company”) and its subsidiaries (collectively, the “A.T. Kearney Group” or the “Group”) form a global strategic management consulting firm that operates under the Kearney brand. Kearney is a global team of forward-thinking, collaborative partners that delivers immediate, meaningful results and long-term transformative advantage to clients. Since 1926, we have been trusted advisors on CEO-agenda issues to the world’s leading organizations across all major industries and sectors. Kearney’s offices are located in major business centers in more than 40 countries.

Results

The consolidated results of the Group presented herein are for the years ended December 31, 2023 and 2022.

The A.T. Kearney Group’s consolidated profit for the year after income taxes was \$51.1 million (2022: \$71.6 million).

Business Review

The following table presents highlights and key performance indicators from our 2023 and 2022 financial statements (in millions of U.S. Dollars):

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	\$ 1,969.4	\$ 1,697.2
Operating profit	109.8	140.8
Profit before tax	113.1	132.1
Profit for the year	\$ 51.1	\$ 71.6
Average consulting headcount	4,420	3,701

Revenue growth of 16% was driven by double digit growth across all regions backed by strong customer demand for core services in areas of strategic operations, leadership and change management and large-scale transactions and transformations, as well as increasing demand for digital, analytics and sustainability services. Reported revenue increased 16% compared to 13% at constant rates; this indicates the extent of the gain received from changes in other currencies against the USD over the course of the year. Consultant headcount was increased in the current year resulting in operating costs increasing by 19%. However, excess capacity across the Group resulted in a decreased operating profit of \$109.8 million in 2023 compared to \$140.8 million in 2022. Finance income and expense increased profit before taxes by a net of \$3.3 million in 2023 (2022: loss of \$8.7 million), primarily due to positive returns on retirement fund assets; consequently, when added to operating profit and reduced by income taxes, profit after tax was \$51.1 million in 2023, compared to \$71.6 million in 2022.

During the year ended December 31, 2023, the Group acquired 100% of Teams Design, GmbH (“Teams Design”) stock for \$9.5 million in cash consideration and 70% of Silicon Foundry (“Silicon Foundry”) stock for \$4.5 million in total consideration. Throughout 2023, both Teams Design and Silicon Foundry continued to operate in line with expectations at the time of acquisition. See Note 1 for more details.

During the year ended December 31, 2022, the Company’s shareholders voted to amend the Company’s Articles of Association and, among other changes, remove the stipulation that the shares be mandatorily redeemable. In accordance with IFRS, this amendment resulted in the associated financial liability being derecognized and the shares being reclassified as equity. See Note 19 for more details.

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Business Review (continued)

Also in 2022, the Group acquired 100% of Optano GmbH ("Optano") stock for total consideration of \$10.1 million, comprising \$6.4 million in cash consideration with the remainder consideration contingent on various performance-based criteria. Throughout 2023, Optano continued to perform in line with expectations at the time of acquisition. See Note 1 for more details.

Net assets at December 31, 2023 stood at \$542.0 million (2022: \$440.0 million) which is comprised of non-current assets of \$442.6 million (2022: \$388.7 million), current assets of \$1,138.4 million (2022: \$1,019.3 million) less current liabilities of \$711.8 million (2022: \$682.5 million) and non-current liabilities of \$327.2 million (2022: \$285.5 million). The increase in non-current assets is due to increases in deferred tax assets and other financial assets described in footnotes 11 and 12, respectively. Current assets include cash and cash equivalents of \$322.5 million (2022: \$180.0 million). Cash and cash equivalents on December 31, 2023 was higher than the balance on December 31, 2022 due to growth in revenue and significant improvement in rate of working capital turnover. This is reflected in net cash provided by operating activities of \$190.1 million in 2023 (2022: net cash used in operating activities was \$38.6 million).

Non-current liabilities principally comprise employee benefit obligations of \$110.0 million (2022: \$90.7 million) and other non-current liabilities which are principally employee-related of \$126.5 million (2022: \$101.4 million), which have accrued over time as services were performed. Borrowings under a credit facility were \$nil at year end (2022: \$nil).

The directors will continue to maintain and develop the strategic focus of the A.T. Kearney Group. The A.T. Kearney Group will continue to focus on providing clients with innovative solutions to help them gain and sustain competitive advantage. To support our clients, we anticipate continuing to strengthen and deepen our industry, service and geographic practice capabilities.

Risks

In addition to other information set out in this report, the factors listed below may affect our business, financial strength and future performance.

These risks are not the only factors affecting the A.T. Kearney Group. New risks, additional risks and uncertainties not currently known to us, or those presently deemed immaterial, may affect our business, financial condition or operating results.

We may face damage to our professional reputation or legal liability if our clients are not satisfied with our services.

We depend largely on our relationships with our clients and our reputation for high-caliber professional services and integrity to attract and retain clients. As a result, if a client is not satisfied with our services or products, including those of subcontractors we engage, it may be damaging to our business.

Our engagements with clients may not be profitable.

When making proposals for engagements, we estimate the costs and timing for completing the projects. In the case of contingency-based engagements, we also estimate the level and timing of client savings and other defined goals. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements or attainment of related contingencies, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin.

Our global operations pose complex management, foreign currency, legal, tax and economic risks, which we may not adequately manage.

At December 31, 2023, we have 77 offices in over 40 countries. As a result, we are subject to a number of risks, including:

- Multiple and possibly overlapping and conflicting tax laws;
- Restrictions on the movement of cash;

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Risks (continued)

- Longer payment cycles;
- The burdens of complying with a wide variety of national and local laws;
- Political instability;
- The possibility of violence, crime or war affecting us or our clients in certain regions;
- Economic and other effects of natural disasters;
- Cybersecurity and the protection of sensitive data;
- Currency fluctuations; and
- Price controls or restrictions on exchange of foreign currencies.

The consulting market is highly competitive, the nature of the competition in the industry is changing and we may not be able to compete effectively.

The consulting market in which we operate includes a growing number of participants and is highly competitive. Our primary competitors include:

- Traditional management consulting firms, including McKinsey & Company, The Boston Consulting Group, Inc., and Bain & Company, Inc.;
- Large systems integration and other professional service firms, including the current and former consulting operations of each of the major accounting firms;
- Information technology service providers and their consulting subsidiaries; and
- Smaller specialized consulting firms that operate only in select industries, geographies or service areas.

In addition, a client may choose to use its own resources, rather than engage an outside firm, for some of the services we provide. Our marketplace is experiencing rapid changes in its competitive landscape. Some of our competitors have sought access to public and private capital and others have merged or consolidated with better-capitalized partners. In addition, the nature of the expertise our clients seek, and the way they want to structure the compensation to the firms that provide it, is changing as well. These changes may create larger and better-capitalized competitors with enhanced abilities to compete for market share generally and our clients specifically, in some cases, through significant economic incentives to clients to secure contracts. These competitors may also be better able to compete for skilled professionals by offering them larger compensation incentives than the compensation incentives that we offer. In addition, one or more of our competitors are continuing to develop methodologies and new or different service lines and products, which could result in superior productivity or margins and price reductions without adversely affecting the competitors' profit margins. Any of these circumstances impose a competitive threat to the firm and its profitability.

If we are unable to attract and retain Partners and other employees, we will not be able to compete effectively and will not be able to grow our business.

Our success and ability to grow are dependent, in part, on our ability to hire and retain large numbers of talented people, including our Partners. The Partners are not legally partners, but the highest level of employee who have acquired shares in the Company. The inability to attract qualified employees in sufficient numbers to meet demand, or the loss of a significant number of our Partners and other employees could have a serious negative effect on us, including our ability to obtain and successfully complete important client engagements and thus maintain or increase our revenues.

No absolute assurance can be given that we will be able to realize the benefit of all deferred tax assets.

Our balance sheet reflects certain deferred tax assets of the A.T. Kearney Group that when realized will reduce our tax payments. No absolute assurance can be given that we will be able to realize the full benefit of our deferred tax assets. In addition, any reduction in a country's tax rate will reduce the benefit. To the extent we are unable to realize these deferred tax assets, we will not benefit from reduced tax liabilities.

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Risks (continued)

Foreign exchange

Although we report our results of operations in U.S. dollars, a large portion of our revenue is denominated in currencies other than the U.S. dollar. Unfavorable fluctuations in foreign currency exchange rates could have a material adverse effect on our results of operations.

Liquidity risk

The Group is financed principally from the profits generated by its operating subsidiaries. In 2023, cash provided by operating activities was \$190.1 million (2022: cash used by operating activities was \$38.6 million). In cases where cash was used in operations, the Group has access to a revolving credit facility to fund operations. At the statement of financial position date, the Group had drawn credit lines of \$nil (2022: \$nil) and undrawn credit lines of \$427.5 million (2022: \$331.1 million) with various financial institutions. At the statement of financial position date, the Group had net assets of \$542.0 million (2022: \$440.0 million) with cash and cash equivalents of \$322.5 million (2022: \$180.0 million).

In reaction to the ongoing conflict in Ukraine, in 2023 we have wound down and exited our operations in Russia. Revenue generated in Russia was \$nil in 2023 and represented 0.3% of the Group's revenues in 2022. As such, these actions have had minimal impact to the Group as a whole. Similarly, we do not believe the ongoing conflict in Gaza to have an impact on our business as our Middle East operations are concentrated elsewhere in the region. We are well positioned and adequately diversified to manage risks inherent in the broader global economic impact of these conflicts, as well as the more general challenges of certain macroeconomic forces, such as raised rates of inflation, higher interest rates, a tight labor market, geopolitical tension, currency volatility and uncertainty of demand. Our mix of clients, industries, services, and geographies of operation, as well as low reliance on debt borrowing, has enabled us to grow our business in 2023 and remain adequately capitalized despite these headwinds and other risks noted above. Furthermore, we have also been able to help our clients achieve similar success in this period of uncertainty. We expect this to continue in 2024.

Section 172 Statement - Directors' Duty to Promote the Success of the Company

The directors behave and carry out their activities to promote the success of the Company for the benefit of the Company's shareholders, and in doing so have regard to its employees, clients, suppliers, and other stakeholders. The directors focus on the Company passing on a stronger, better, and more sustainable business to those who follow, while considering the need to act fairly between shareholders of the Company. They engage with shareholders and take into account input from employees, clients and other stakeholders when making decisions on strategy, evaluating business acquisitions, overseeing operational effectiveness, driving initiatives, and committing to deliver outcomes that enhance social value.

The directors implement strategic plans to foster long-term business relationships with clients and ensure the provision of excellent quality and innovative guidance to our clients across the world. Continued development of our employees and their capabilities is of paramount importance. Generally, employees share in the Company's global financial success through salary, bonus, profit sharing, and other long-term benefit arrangements, rather than through sole reliance on the financial outcomes of any particular entity. Employees' views are solicited through regularly administered surveys, and the results provide important input for the directors' decision-making.

In 2022, we engaged the shareholders, who successfully passed a vote to amend the Company's Articles of Association. This was a culmination of a strategic project focusing on improving the equity structure and governance processes of the Company which we conducted with the best interests of our shareholders and employees in mind. There was nothing significant outside the normal course of engagement with the shareholders in the year 2023.

The directors' plans include consideration of our operations on our community and environment, and an intention to behave responsibly with high standards of conduct and good governance. These efforts are enabled through regular updates that the board receives on social impact and diversity, equity, and inclusion. Fostering good relationships with our suppliers and business partners is also important. These are typically managed with a single functional point of

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Section 172 Statement - Directors' Duty to Promote the Success of the Company (continued)

contact with specialist skill aligned to the supplier's industry. Lastly, the plans give fair consideration to all shareholders, serving them to preserve and grow the value of the Company.

The founder of our firm, Tom Kearney, decades ago established the principle of "essential rightness" in how the Group should conduct business. In keeping with this spirit, the directors promote culture and values that focus on observing and maintaining the highest standards of business conduct across the Group in making a positive impact on the world while also promoting the long-term success of the Company. For example, the Company is proud to be a signatory of the UN Global Compact and to support the UN Sustainable Development Goals. The narratives in the directors' report further highlight how the directors have observed these principles and engaged with shareholders, employees, clients, and stakeholders in decision-making in doing so.

Environmental and Social Governance

Inspired by our founder, Tom Kearney, and his principle of "essential rightness," Kearney is dedicated to making a positive impact. We seek to be the difference by embedding environmental, social and governance best practices, and sustainability in all that we do: as a business, with our clients, our people, our planet, and our community.

Kearney's management team have ultimate responsibility for review and execution of the firm's strategy in response to the risks and opportunities surrounding sustainability. This includes promoting and implementing sustainability initiatives across the firm, measuring performance, and communicating results. There is board-level oversight where sustainability targets are incorporated into management performance objectives and linked to incentives.

Management considers climate-related factors in performing on-going risk assessments to inform the Company's strategy across its services, supply chain, investments, and operations. Management assessed both physical risks and transitional risks as non-substantive with the presence of mitigation factors. With Kearney's primary "assets" being our people, we are able to mobilize away from specific physical risks via remote working. Similarly, our revenue streams are diversified around the world, mitigating interruption from a physical risk centered in a certain geographic area. Kearney operations are not resource-intensive. We have the ability to reduce our client-related travel through use of virtual collaboration platforms making us resilient to potential transitional risks such as stricter taxes on energy consumption.

Climate-related risks impacting our clients' businesses presents a significant opportunity for Kearney to accelerate our ambition to become the leading firm in making our clients' sustainability goals a reality. We're proud to work on more than 300 sustainability projects a year with leading organizations across diverse sectors and geographies to tackle their most pressing issues: from ESG transformation and achieving net zero to sustainable and responsible sourcing, circularity, and fostering inclusive and equitable societies. By partnering with our clients and other stakeholders, we can build a sustainable future, together.

In 2022, Kearney approved near and long-term emissions reduction targets in accordance with the Science Based Targets initiative (SBTi). Our commitment to reducing emissions in the value chain, and reaching science-based net-zero targets, is aligned with the 1.5°C pathway and includes the following goals (from a 2019 base year):

1. Near-term target: We commit to reduce absolute Scope 1 and 2 GHG emissions by 50 percent by 2030. We also commit to reduce absolute scope 3 GHG emissions from business travel, and all other absolute Scope 3 emissions, by 30 percent by 2030. Furthermore, our goal is to continue sourcing 100 percent renewable electricity through 2030.
2. Long-term target: We aim to reduce absolute Scope 1, 2, and 3 GHG emissions by 90 percent and reach net-zero GHG emissions across the value chain by 2050.

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Environmental and Social Governance (continued)

The world continues to face some of its biggest challenges, and we remain committed to supporting the UN Sustainable Development Goals and the 10 principles of the UN Global Compact. We firmly believe that achieving these goals requires dedicated action from the private sector, governments, and civil society.

Sustainability and social impact are vital for our people—more than 90% of colleagues around the world say it is important to them. As such, Kearney is dedicated to creating opportunities for everyone to engage with sustainability through our clients, our local office initiatives, social impact externships, volunteering, and beyond. Not only is social impact and sustainability a core component of Kearney's expertise and skill set, but also it is a central path to a workplace culture of joy and justice.

Our global GHG emissions, measured as greenhouse gases generated by our offices and people while under our operational control are set out in the following table:

		2023	2022
		tCO ₂ e	tCO ₂ e
Scope 1	From sources owned or controlled by us (such as use of owned or leased vehicles)	1,491	1,364
Scope 2	From purchased electricity, heating and cooling	9	337
Scope 3	From business travel, hotel accommodation and waste generation	91,860	63,652
Total		93,360	65,353
Total per employee		15.9	13.3

The increase in GHG emissions per employee from year 2022 to 2023 is primarily attributable to increase in travel for both internal meeting and client-related purposes.

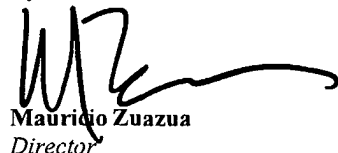
Specific to our locations within the UK, in 2023 GHG emissions were 46 tCO₂e and 24 tCO₂e (together an intensity ratio of 0.004 tCO₂e per sq ft), and energy consumption was 253 MWh and 117 MWh, for Scope 1 and Scope 2, respectively. In 2022 GHG emissions were 41 tCO₂e and 21 tCO₂e (together an intensity ratio of 0.004 tCO₂e per sq ft), and energy consumption was 226 MWh and 108 MWh, for Scope 1 and Scope 2, respectively. The methodology used to calculate this footprint is in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance, and based on data gathered from a variety of internal and external sources. Reporting for UK locations is in accordance with the Streamlined Energy and Carbon Reporting (SECR) framework under UK companies' regulations 2018, utilizing emission factors issued by UK Department for Environment, Food and Rural Affairs (DEFRA).

STRATEGIC REPORT - Registered Number 05625494 (CONTINUED)

Going Concern

After reviewing the Group's forecasts and projections, which cover the 24-month period from the end of the fiscal year, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. These forecasts and projections have considered two downside scenarios in sales levels; however, management have also identified mitigating actions that could be taken to ensure that the Group has sufficient funds to meet liabilities as they fall due through December 31, 2025. At the balance sheet date, the Group had \$nil outstanding under its credit facility, which is subject to several covenants that are measured on a quarterly basis. Should borrowing on this facility be undertaken in the next 24 months following December 31, 2023, management are confident the agreed covenants will be met. In addition, there are no plausible downside scenarios identified which would result in the credit facility headroom being fully extinguished, or covenants to be breached within the going concern period. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

By order of the Board



Mauricio Zuazua
Director

Adelphi, 1-11 John Adam Street
London, WC2N 6HT
April 25, 2024

DIRECTORS' REPORT - Registered Number 05625494

The directors present their report for the year ended December 31, 2023.

Certain requirements of the Directors' Report including the principal risks and uncertainties of the Company, energy and carbon reporting, and how the Company has fostered business relationships with suppliers, customers and others during the year, including principal decisions taken by the Company, are not included within the Report of the Directors as they are shown in the Strategic Report on pages 3 to 9.

Dividends

The Company did not pay any dividends during the period and the directors have not recommended the payment of any dividend (2022: \$nil).

Financial instruments

The Group's financial risk management objectives, policies and risk exposures are set out in Note 13 of the consolidated financial statements.

Acquisition of own shares

During the year, the Company did not redeem any redeemable ordinary shares. The Employee Share Trust (the "EST") repurchased 19,796 redeemable ordinary shares, each with a par value of \$0.0001 from shareholders who had left the employment of the Group for an aggregate consideration of \$10.5 million (see Note 19 of the consolidated financial statements).

Events after December 31, 2023

On January 04, 2024, the Company purchased 100% of the issued share capital of Management Solution Experts S.A.L. Offshore – Lebanon ("MSE") for cash consideration of \$9.1 million and \$2.0 million in restricted stock units of the Company as well as consideration contingent on performance-based criteria.

There were no other events between the balance sheet date of December 31, 2023, and the date of the approval of these accounts that are required to be brought to the attention of shareholders.

Directors

The directors who held office during the year and/or up to the date of this report were as follows:

Nigel Andrade
Robert Haas
Alex Liu
Stefan Marcu
Leslie Parker
Luca Rossi
Ben Smith
Jerome Souied
Bob Swan (from July 1, 2023)
Isabelle Xoual (from July 1, 2023)
Mauricio Zuazua

All the directors noted above benefited from qualifying third-party indemnity provisions in place during the year and at the date of this report. A.T. Kearney also provided qualifying third-party indemnity provisions to certain of the directors above where they were also directors of subsidiary companies during the financial year and at the date of this report.

Research and development

The Group continues to invest in developing and updating intellectual capital during the year, the costs of which are expensed in the period incurred.

Political contributions

The Company made no political contributions during the year (2022: \$nil).

Environment and social governance

The Group maintains a strong commitment to Sustainability. 2023 program achievements, methodology, metrics and future-looking objectives are disclosed in the accompanying Strategic Report beginning on page 7.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Employees

The A.T. Kearney Group believes in the values of inclusiveness and diversity, and supports equal opportunity for all employees, an ethos which is enshrined in our Code of Business Conduct. Employment with any A.T. Kearney Group company is based upon merit, qualification, relevant experience and business need.

Communication with employees is also distributed through Company-wide electronic mail announcements, the Company's Intranet, information bulletins, briefings meetings conducted by senior management, formal and informal discussions, and town hall meetings. These communications include financial and economic factors affecting the performance of the Group or individual operating subsidiaries. In addition, the Group complies with all relevant legal requirements in each jurisdiction for consultation with employees on matters which are likely to affect their interests. The A.T. Kearney Group endeavors to treat any employee who becomes disabled with fairness and consideration, subject to the terms and conditions of country-specific disability regimes.

It is the Group's policy to give full and fair consideration to suitable applications for employment from disabled persons. Once employed, disabled persons receive equal opportunities for training, career development and promotion. Opportunities exist for employees of the Group who become disabled to continue their employment or to be trained for other positions within the Group.

Our employees contribute to the financial success of our global network through their teamwork and collaboration to serve our clients worldwide. As referenced in the Section 172 Statement within the Strategic Report, they share in the Company's global financial success through salary, bonus, profit sharing, and other long-term benefit arrangements, rather than through sole reliance on the financial outcomes of any particular entity. The Company's largest cost is comprised of its compensation and rewards to its employees, some of which are highly variable in relation to our results of operations. The compensation and rewards we pay to our employees create significant related social tax expenditures that are dictated by the laws of the jurisdictions in which we operate, and which are funded by the Company and recognized as expenses in the respective jurisdictions where we do business.

Future developments

We remain confident in our ability to deliver excellent guidance to our clients, and opportunities for our people across the world. We will continue to grow using a mix of organic and inorganic strategies. We believe we are in a strong position to grow and thrive in the years to come.

By order of the Board


Mauricio Zuazua
Director

Adelphi, 1-11 John Adam Street
London, WC2N 6HT
April 25, 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss of the Group and parent company for that period.

In preparing each of the Group and parent company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report To The Members Of A.T. Kearney Holdings Limited

Opinion

We have audited the financial statements of A. T. Kearney Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and the wider economic climate, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

- In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting frameworks, including UK-adopted international accounting standards, United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and the relevant tax legislation in the jurisdictions in which the Group operates;
- We understood how A.T. Kearney Holdings Limited is complying with those legal and regulatory frameworks by making inquiries of management including the Group legal counsel responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and other relevant correspondence received from legal advisors and regulatory bodies;
- We also enquired of management, those charged with governance and the Group legal counsel concerning the Group's policies and procedures relating to the identification, evaluation, detection and response to the risk of fraud and the establishment of internal controls to mitigate risks related to fraud. We inquired of these groups as to whether they had any knowledge of actual, suspected or alleged fraud;
- Audit procedures performed by the audit team included:
 - Identifying and assessing the design and implementation of controls management utilises to prevent and detect fraud;
 - Challenging key assumptions used and judgements made by management in relation to significant accounting estimates including contingent fee revenue which was unbilled at the year end;
 - Designing specific custom routines and using data interrogation software to identify and test large or unusual account combinations and journal entries which may carry a higher risk of fraud, including those entries posted directly to the consolidation that had a large financial statement impact; and

- Performing audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We considered the risk of fraud to be higher in those areas of the financial statements which require the application of estimates which could be subject to potential bias or subject to manipulation including contingent fee revenue which was unbilled at the year end and the posting of large or unusual journal entries to the accounting systems.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement teams:
 - Understanding of, and practical experience with the audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the client operates;
 - Understanding of the relevant legal and regulatory frameworks including UK-adopted accounting standards, United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, and the relevant tax legislation in the jurisdictions in which the Group operates, and the application of the legal and regulatory requirements of these to A.T. Kearney Holdings Limited.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Maile BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Gatwick

25 April 2024

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and accompanying Notes, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the years ending December 31, 2023 and 2022
(In millions of U.S. Dollars)

	Note	2023	2022
Revenue	1	\$ 1,969.4	\$ 1,697.2
Operating expenses	2	(1,859.6)	(1,556.4)
Operating Profit		\$ 109.8	\$ 140.8
Finance income	6	17.9	5.7
Finance expense	6	(14.6)	(14.4)
Profit Before Tax		\$ 113.1	\$ 132.1
Income tax expense	7	(62.0)	(60.5)
Profit for the Year		\$ 51.1	\$ 71.6
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Post-employment benefit plan remeasurements	17	2.3	0.9
Deferred tax on post-employment benefit plan remeasurements	11	(0.3)	-
		\$ 2.0	\$ 0.9
Items that are or may be reclassified subsequently to profit or loss			
Foreign operations – foreign currency translation differences		9.8	(10.9)
Other Comprehensive Income (Loss), Net of Tax		\$ 11.8	\$ (10.0)
Total Comprehensive Income Attributable to Owners of the Group		\$ 62.9	\$ 61.6

See Notes to consolidated financial statements.

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ending December 31, 2023 and 2022
(In millions of U.S. Dollars)

	Founder Share	Share Capital	Share Premium	Shares Held by Employee Share Trust	Other Reserves	Share Based Payment Reserve	Retained Earnings (Deficit)	Other Comprehensive Income	Translation Reserve	Total Reserves
Balance at December 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (13.8)	\$ 13.2	\$ 4.9	\$ 4.3
Equity Accounting Transition (Note 19)	-	-	131.2	(39.5)	-	-	230.0	-	-	321.7
Profit for the year	-	-	-	-	-	-	71.6	-	-	71.6
Other comprehensive income:										
Translation adjustment	-	-	-	-	-	-	-	-	(10.9)	(10.9)
Post-employment benefit plans, net of deferred tax (Notes 11 and 17)	-	-	-	-	-	-	-	0.9	-	0.9
Employee share-based compensation (Note 21)	-	-	-	0.3	(0.3)	3.3	-	-	-	3.3
Transactions with owners (Note 19)	-	-	11.3	15.3	22.5	-	-	-	-	49.1
Balance at December 31, 2022	\$ -	\$ -	\$ 142.5	\$ (23.9)	\$ 22.2	\$ 3.3	\$ 287.8	\$ 14.1	\$ (6.0)	\$ 440.0
Profit for the year	-	-	-	-	-	-	51.1	-	-	51.1
Other comprehensive income:										
Translation adjustment	-	-	-	-	-	-	-	-	9.8	9.8
Post-employment benefit plans, net of deferred tax (Notes 11 and 17)	-	-	-	-	-	-	-	2.0	-	2.0
Noncontrolling interest (Note 1)	-	-	-	-	2.4	-	-	-	-	2.4
Put/Call Agreement with noncontrolling interest (Note 20)	-	-	-	-	(2.4)	-	-	-	-	(2.4)
Employee share-based compensation (Note 21)	-	-	-	1.3	(1.3)	4.4	-	-	-	4.4
Transactions with owners (Note 19)	-	-	4.1	12.1	18.5	-	-	-	-	34.7
Balance at December 31, 2023	\$ -	\$ -	\$ 146.6	\$ (10.5)	\$ 39.4	\$ 7.7	\$ 338.9	\$ 16.1	\$ 3.8	\$ 542.0

See Notes to consolidated financial statements.

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and accompanying Notes, December 31, 2023 and 2022
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023 and 2022
(In millions of U.S. Dollars)

	Note	2023	2022
ASSETS			
Non-current Assets:			
Intangible assets and goodwill	8	\$ 52.4	\$ 43.9
Property and equipment	9	41.6	38.9
Right-of-use lease assets	10	88.4	89.0
Deferred tax assets	11	143.6	128.6
Other financial assets	12	91.7	61.6
Other non-current assets	14	24.9	26.7
		<u>\$ 442.6</u>	<u>\$ 388.7</u>
Current Assets:			
Income tax receivable		\$ 21.6	\$ 13.7
Trade receivables and other current assets	14	794.3	825.6
Cash and cash equivalents		322.5	180.0
		<u>\$ 1,138.4</u>	<u>\$ 1,019.3</u>
Total Assets		<u>\$ 1,581.0</u>	<u>\$ 1,408.0</u>
LIABILITIES			
Current Liabilities:			
Trade and other payables	15	\$ 629.5	\$ 601.2
Income tax payable		54.5	44.9
Lease liabilities	10	23.9	20.8
Notes payable	16	3.9	15.6
		<u>\$ 711.8</u>	<u>\$ 682.5</u>

See Notes to consolidated financial statements. (continued)

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and accompanying Notes, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share

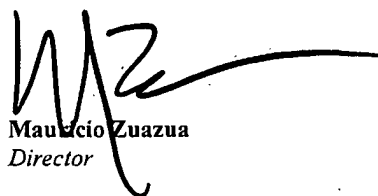
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

December 31, 2023 and 2022
(In millions of U.S. Dollars)

	Note	2023	2022
Non-current Liabilities:			
Lease liabilities	10	\$ 78.8	\$ 80.8
Post-employment benefit obligations	17	27.6	29.4
Other long-term employee liabilities	18	82.4	61.3
Notes payable	16	11.3	11.5
Deferred tax liabilities	11	0.6	1.1
Other non-current liabilities	15	126.5	101.4
Borrowings under credit facility	16	-	-
		<u>\$ 327.2</u>	<u>\$ 285.5</u>
Total Liabilities		<u>\$ 1,039.0</u>	<u>\$ 968.0</u>
NET ASSETS		<u>\$ 542.0</u>	<u>\$ 440.0</u>
RESERVES			
Share capital	19	\$ -	\$ -
Share premium	19	146.6	142.5
Shares held by employee share trust	19	(10.5)	(23.9)
Other reserves	19	39.4	22.2
Share based payment reserve	21	7.7	3.3
Translation reserve		3.8	(6.0)
Other comprehensive income		16.1	14.1
Retained earnings		338.9	287.8
Total Reserves		<u>\$ 542.0</u>	<u>\$ 440.0</u>

The financial statements were approved by the board of directors and authorized for issue on April 25, 2024.

They were signed on its behalf by:


Mauricio Zuazua
Director

Registered number 05625494

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

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All amounts in millions of U.S. dollars except for share and per-share

CONSOLIDATED STATEMENT OF CASH FLOWS

For the years ending December 31, 2023 and 2022
(In millions of U.S. Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	\$ 51.1	\$ 71.6
Adjustments for		
Depreciation and amortization	43.9	37.7
Impairment expense (reversal) of trade receivables and other assets	2.5	(1.3)
Income tax expense	62.0	60.5
Share-based compensation	5.8	3.3
Finance expense, net	(0.8)	11.7
	<u>\$ 164.5</u>	<u>\$ 183.5</u>
Movements in working capital		
Decrease (increase) in trade receivables and other assets	40.8	(211.9)
Increase in trade and other payables	48.8	78.0
Increase (decrease) in post-retirement benefit obligations	21.6	(4.7)
	<u>\$ 111.2</u>	<u>\$ (138.6)</u>
Interest paid	(1.7)	(1.9)
Income taxes paid	(83.9)	(81.6)
Net cash provided by (used in) operating activities	<u>\$ 190.1</u>	<u>\$ (38.6)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4.5	1.1
Acquisition of subsidiaries, net of cash acquired	(9.7)	(6.4)
Purchase of investments, net	(16.5)	(12.8)
Purchase of property and equipment	(15.2)	(22.4)
Net cash used in investing activities	<u>\$ (36.9)</u>	<u>\$ (40.5)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	(22.4)	(16.0)
Proceeds on the sale of shares	45.2	61.8
Repayment of lease liabilities	(27.6)	(25.9)
Net cash (used in) provided by financing activities	<u>\$ (4.8)</u>	<u>\$ 19.9</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>\$ 148.4</u>	<u>\$ (59.2)</u>
CASH AND CASH EQUIVALENTS – Beginning of year	<u>\$ 180.0</u>	<u>\$ 248.1</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(5.9)</u>	<u>(8.9)</u>
CASH AND CASH EQUIVALENTS – End of year	<u>\$ 322.5</u>	<u>\$ 180.0</u>

See Notes to consolidated financial statements.

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and accompanying Notes, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share

1. Significant Accounting Policies

General Information

A.T. Kearney Holdings Limited (the “Company”) is incorporated under the laws of England and Wales. The address of the registered office is:

Adelphi
1-11 John Adam Street
London WC2N 6HT

The accounting policies set out below have been applied consistently to all periods presented in the Group financial statements.

Basis of preparation

The Group financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) (UK-adopted international accounting standards). The Company has elected to prepare its parent company financial statements in accordance with FRS 101; these are presented on pages 71 to 79.

Going concern

The A.T. Kearney Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 9. The financial position of the A.T. Kearney Group, its cash flows, liquidity position and borrowing facilities are described on pages 3, 4 and 6 and in Note 13.

After reviewing the Group’s forecasts and projections, which cover the 24-month period from the end of the fiscal year, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. These forecasts and projections have considered two downside scenarios in sales levels; however, management have also identified mitigating actions that could be taken to ensure that the Group has sufficient funds to meet liabilities as they fall due over the next 24 months.

At the balance sheet date, the Group had \$nil outstanding related to a credit facility, which is subject to several covenants that are measured on a quarterly basis. Should borrowing on this facility be undertaken in the next 24 months following the December 31, 2023, management are confident the agreed covenants will be met. In addition, there are no plausible downside scenarios identified which would result in the credit facility headroom being fully extinguished, or covenants to be breached within the going concern period. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Measurement convention

The financial statements have been prepared on the historical cost basis, except for certain financial instruments and pension assets held at fair value. The principal accounting policies are set out below.

Functional and presentation currency

These consolidated financial statements are presented in U.S. dollars, which is the functional currency of the Company and presentation currency for the consolidated financial statements. All financial information presented in U.S. dollars has been rounded to the nearest \$0.1 million, except for share and per share information.

Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

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All amounts in millions of U.S. dollars except for share and per-share

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized to reflect current facts and circumstances (see Note 25).

Basis of consolidation

Subsidiaries include all entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company attributes total comprehensive income or loss between the owners of the parent, A.T. Kearney Group, and the noncontrolling interests based on respective ownership interests.

All intercompany and intergroup transactions, balances, income and expenses are eliminated in preparing the consolidated financial statements.

Adoption of new or revised accounting standards

Amendments to IAS 12 addressing deferred tax related to assets and liabilities arising from a single transaction became effective January 1, 2023. The impact of this accounting pronouncement is reflected in Note 11.

Business combinations

Acquisitions are accounted for in accordance with IFRS 3, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of fair value of the consideration transferred over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of fair value of consideration transferred below the fair values of the identifiable net assets acquired is credited to the consolidated income statement in the period of acquisition. Elements of purchase consideration contingent on the acquired entity meeting performance targets in future periods is recorded as a liability at fair value as of the date of acquisition and remeasured each reporting period with adjustments through profit and loss. Costs incurred relating to acquisitions are expensed as incurred. The results of subsidiaries acquired during the year are included in the consolidated income statement from the effective date of acquisition.

On June 30, 2023, the Group's wholly owned subsidiary, A.T. Kearney Holdings Germany GmbH, acquired 100% of the stock of Teams Design GmbH ("Teams Design") for \$9.5 million in total consideration, all of which was cash. Teams Design, located in the U.S.A., Germany, and China, is an elite global product design firm which will broaden the Company's design and engineering offerings to bring end-to-end product transformation to clients. The acquisition was accounted for as a business combination under IFRS 3.

Total consideration of \$9.5 million, less cash acquired of 2.8 million, tangible assets of \$2.5 million, and identifiable intangible assets of \$0.4 million, yielded a value of acquired goodwill of \$3.8 million. Teams Design's contribution to revenue and profit for the year ended December 31, 2023, was \$4.6 million and \$0.5 million, respectively.

On July 11, 2023, the Group's wholly owned subsidiary, A.T. Kearney Inc. acquired 70% of the stock of Silicon Foundry Inc. ("Silicon Foundry") for total consideration of \$4.5 million, comprising of \$3.3 million in cash and \$1.2 million in deferred consideration to be paid over the course of three years. Silicon Foundry is a global advisory firm with an executive level membership network, which will further enhance the Company's ability to provide deep industry expertise to clients. The acquisition was accounted for as a business combination under IFRS 3.

Under IFRS 3, the company elected the full-goodwill method in measuring its identifiable assets and as such, the 30% equity interest of Silicon Foundry not owned by the Group is reflected as noncontrolling interest. Total consideration of \$4.5 million, together with noncontrolling interest of \$2.4 million, less cash acquired of \$0.3 million, net tangible assets of \$(0.4) million and identifiable intangible assets of \$2.8 million, yielded a value of acquired goodwill of \$4.2 million. Silicon Foundry's contribution to revenue and profit for the year ended December 31, 2023,

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

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was \$3.0 million and \$(0.1) million, respectively. Equity related to the noncontrolling interest was reported within Other reserves in the Group's consolidated statement of financial position at December 31, 2023. Profit attributable to the noncontrolling interest for the year ended December 31, 2023 was \$nil. See Note 20 for further details.

On October 31, 2022, the Group's wholly owned subsidiary, A.T. Kearney Holdings Germany GmbH, acquired 100% of the stock of Optano GmbH ("Optano") for total consideration of \$10.1 million, consisting of \$6.4 million in cash and consideration contingent on various performance-based criteria. Optano is a leading provider of AI-powered operations optimization solutions based in Paderborn, Germany. These solutions will enhance the Group's existing capabilities to deliver a market-leading platform for end-to-end supply chain and large-scale operation transformations to clients. The acquisition was accounted for as a business combination under IFRS 3.

Total consideration of \$10.1 million, less tangible net assets acquired of \$1.7 million, less identifiable intangible assets of \$3.9 million (see Note 8) yielded a value of acquired goodwill of \$4.5 million. Optano's contribution to revenue was \$2.2 million for the year ended December 31, 2023 (2022: \$0.5 million). The contingent consideration outstanding related to the acquisition of Optano was \$4.8 million at December 31, 2023 (2022: \$3.7 million).

Management's evaluation of the carrying value of goodwill at December 31, 2023 and 2022 did not identify any indicators of impairment. Total contingent consideration outstanding as a result of the above acquisitions, and those in years proceeding, was \$13.5 million at December 31, 2023 (2022: \$15.0 million).

Foreign currencies

The individual financial records of each Group company are held in the currency of the primary economic environment of its operations which is considered to be its functional currency. For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in U.S. dollars, which is the functional currency of the Company and presentation currency for the consolidated financial statements.

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are translated at the rates prevailing at the statement of financial position date. Related foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified in equity and transferred to the Group's translation reserve.

Financial instruments

Recognition of Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial assets

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, and debt securities which are measured at amortized cost, all financial assets are measured at fair value and adjusted for transaction costs (where applicable).

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All amounts in millions of U.S. dollars except for share and per-share

Financial assets are classified into the following categories:

- amortized cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

The classification is determined by both:

- the Group's business model for managing financial assets
- the contractual cash flow characteristics of financial assets

All income and expenses relating to financial assets are recognized in the consolidated income statement and presented as finance costs, finance income, or other financial items, except for the impairment of trade receivables which are presented within operating expenses.

Financial assets at amortized cost

The Group measures financial assets at amortized cost when the objective is to hold the assets and collect the contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Discounting using the effective interest model is omitted as the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held as other than "hold to collect" or "hold to collect and sell" are categorized at fair value through profit and loss. Financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. Assets in this category are measured at fair value with gains or losses recognized in the consolidated income statement. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group measures for financial assets at FVOCI if the objective is "hold to collect and sell," and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Any gains or losses recognized in the consolidated income statement as other comprehensive income ("OCI") will be recycled upon derecognition of the asset. No financial assets currently fall in this category.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables. Financial liabilities are measured at amortized cost using the effective interest method except for financial liabilities designated at FVTPL.

Impairment of financial assets

IFRS 9 requires entities to account for expected credit losses, with the amount of such losses being updated at each reporting period to reflect changes in credit risk. For financial instruments that have not deteriorated significantly, 12-month expected credit losses are recognized. For financial assets that have deteriorated significantly, lifetime expected credit losses are recognized.

Trade and other receivables and contract assets

The Group uses a simplified approach to account for trade and other receivables and records the loss allowance as lifetime expected credit losses. These losses represent the expected shortfalls in contractual cash flows and considers the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due.

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Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation expense is recognized on a straight-line basis over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the lease term and their useful lives. Subsequent expenditures which enhance the property and equipment are capitalized to the extent that it enhances the existing standard of performance, otherwise it is expensed.

The estimated useful lives are as follows:

Leasehold improvements	2-14 years
Fixtures and equipment	2-7 years
Vehicles	3-5 years

Depreciation methods, useful lives and residual values are reviewed at each statement of financial position date.

Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in consolidated income statement within operating expenses.

Leases

For any new contracts entered into on or after January 1, 2019, the Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.' To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contracts; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. This period varies by lease but is typically a period of three to fifteen years. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options reasonably certain to be exercised.

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Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Intangible assets and goodwill

Intangible assets acquired in a business combination are identified and recognized separately from goodwill where they meet the definition of an intangible asset, and their fair values can be measured reliably. The costs of such intangible assets are initially recorded at their fair value on the acquisition date.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized in the statement of comprehensive income over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives are as follows:

Trade name	Straight-line method	10 years
Customer relationships	Straight-line method	10 years
Technology	Straight-line method	3-5 years
Backlog	Straight-line method	1 year
Non-compete agreements	Straight-line method	1-3 years

Residual values and useful lives of intangible assets are reviewed at each reporting date. The method of amortization reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group.

The value of goodwill acquired in a business combination is recognized as the value of total consideration less the value of identified tangible and intangible net assets. Goodwill is not amortized but it is subject to impairment testing as described below.

Impairment of tangible and intangible assets, and goodwill

The Group reviews the carrying amounts of its tangible and intangible assets, including goodwill, at least annually to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating

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unit) in prior years. A reversal of an impairment loss on intangibles is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held, together with other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an expense in the statement of comprehensive income as incurred.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any plan assets are deducted. The cost of providing benefits is determined using the projected-unit-credit method, with actuarial valuations being carried out at each statement of financial position date. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of the economic benefit that is available in the form of any future refunds from the plan or reductions in future contributions to the plan to calculate the present value of economic benefits. Consideration is given to any applicable minimum funding requirements.

The German pension scheme includes both a fixed and variable element. The defined benefit obligation should be set to be the higher of the value of the contributions paid into the scheme, (the fixed promise), and the value of the assets in the scheme (the variable element). IAS 19 provides no guidance on how to account for such schemes. The value of the contributions paid into the scheme has been determined using the Projected-Unit-Credit method. The variable promise to distribute the surplus assets has been determined based on the fair value of the assets. The re-measurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income ("OCI"). The Group determines the net interest (expense)/income on the net defined benefit (liability)/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit (liability)/asset, taking into account any changes in the net defined benefit (liability)/asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when settlement occurs.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. An accrual is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Supplemental Executive Retirement Plan and Executive Deferral Plan

Assets contributed to the Supplemental Executive Retirement Plan ("SERP" and "ERP") and Executive Deferral Plan ("EDP") that are funded are recognized in the statement of financial position as a financial asset while obligations to the employee are recognized as a liability. The Group's contributions to these plans are accounted for as defined contribution payments.

The assets and liabilities are reflected on the statement of financial position as the plan assets are not protected from the Group's creditors in the event of an insolvency or bankruptcy. The plan assets represent financial assets designated at fair value through profit or loss. The liability to the plan participants has been designated as a financial liability through profit or loss in order to avoid an accounting mismatch that would otherwise arise from measuring the assets and liabilities on different bases. Changes in the liability due to the performance of underlying assets are recognized for the amounts expected to be paid to the employee upon separation from the firm. Income recognized on the invested assets is disclosed as finance income and changes in the value of the liability are recognized as operating expenses.

Share-based payment transactions

The Group makes use of various share grants using its redeemable shares in order to provide incentives for certain of its employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted.

Under the equity-settled method, the fair value of the amount granted to the employee is recognized as an expense with a corresponding increase in equity and is measured at grant date. Under the cash method, the fair value of the amount payable to the employee is recognized as an expense with a corresponding increase in liability and is initially measured at grant date and then subsequently re-measured at each reporting date and at settlement. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share grants expected to vest. Estimates are subsequently revised if there is any indication the number of share grants expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision in estimate is recognized in the current period. Further details can be found in Note 21.

Revenue recognition

The Group evaluates its revenue with customers based on the five-step model under IFRS 15, Revenue from Contracts with Customers: (1) identify the contract with the customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognize revenues as each performance obligation is satisfied. The Group's revenues are generated from providing consulting services, recognized over time, under fixed and contingent fee arrangements.

With the Group's fixed fee arrangements, the Group is contracted to complete a predetermined set of professional services for a predetermined fee (transaction price). However, the fee and engagement scope can be adjusted based on a mutual agreement between us and the client. In many cases, the recording of fixed revenue amounts requires us to make an estimate of the total amount of work to be performed, and revenues are then recognized as efforts are expended based on hours worked. Under contingent fee arrangements, the outcome is determined by performance (as defined by key performance indicators in the contract). In many cases, this fee is earned in addition to a fixed fee. For certain of these arrangements, the contingent consideration is estimated at the expected value and subject to constraint based on risks specific to the contract. The estimate is evaluated in each reporting period and included in the total transaction price to the extent it is highly probable that a significant reversal of revenue will not occur. Transaction price is then recognized into revenue based upon efforts expended based on hours worked. In some cases, the estimation of the contingent fees is complex and may require significant judgment as the contingent fees are often linked to the level and timing of client savings and other defined goals. Changes in the economic environment could affect the probability of the contingency being realized and hence the amount or timing of revenue recognition.

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The majority of the Group's contracts have a single performance obligation. However, when certain arrangements have more than one performance obligation that are distinct from one another, the transaction price is allocated to the separate performance obligations based on a relative standalone selling price basis. The Group determines the standalone selling prices based on the Group's overall pricing or margins. Revenue includes the reimbursement of out-of-pocket expenses, which are passed through to clients as contractually allowed. Reimbursable expenses are recognized into revenue consistent with the measure of progress of the respective performance obligation.

The Group's contracts may be modified to add, remove, or change existing performance obligations. The accounting for modifications to the Group's contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

Although fixed and contingent fee arrangements exist, they are often blended within a single performance obligation and as such do not present distinct streams among which to disaggregate the Group's revenue. Similarly, the Group's contracts often include a blend of intermingled consulting services; these also do not present distinct revenue streams. As such the primary forms of disaggregation used by the Group's decision makers are by fee and reimbursable expense and by geographical region. For the years ended December 31, these were as follows:

	2023	2022
By fee and reimbursable expense:		
Consulting fees	\$ 1,781.0	\$ 1,561.1
Reimbursement of expenses	188.4	136.1
	<u>\$ 1,969.4</u>	<u>\$ 1,697.2</u>
By geographical region:		
Americas	\$ 622.9	\$ 553.2
Europe, Middle East & Africa	1,102.3	928.4
Asia-Pacific	244.2	215.6
	<u>\$ 1,969.4</u>	<u>\$ 1,697.2</u>

None of the revenue recognized in the years ended December 31, 2023 and 2022 includes amounts collected on behalf of third parties. There were no clients that individually exceeded 10% of revenue in 2023 and 2022.

Contract Assets and Liabilities

The Group defines contract assets as revenues recognized for fixed fee or contingent fee engagements for which the Group is not contractually able to bill, meaning that work has been performed, but an agreed milestone on the contract has not yet been reached. These contract assets are included in trade receivables and other current assets within the consolidated balance sheet. The Group defines contract liabilities as advance payments from, or billings to, customers for services that have not yet been performed or earned and retainers. These liabilities are recorded within trade and other payables and are recognized as services are provided. Any taxes assessed on revenues relating to services provided to clients are recorded on a net basis. As of December 31, 2023 and 2022, contract liabilities were \$68.5 and \$75.9 million, respectively. During the years ended December 31, 2023 and 2022, substantially all contract liabilities were recognized into revenue from the opening balance. Payment terms do not include any significant items greater than one year.

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Performance Obligations

Unfulfilled performance obligations represent the remaining contract transaction prices allocated to the performance obligations that are unsatisfied, or partially unsatisfied, and therefore revenues have not yet been recorded. Unfulfilled performance obligations primarily consist of the remaining fees not yet recognized under proportional performance method for both fixed fee arrangements and the portion of contingent arrangements that the Group has deemed highly probable. As of December 31, 2023 and 2022, the aggregate amount of the transaction price allocated to unfulfilled performance obligations was \$594.9 million and \$534.0 million, respectively, and the Group expects to recognize substantially all of the related revenues over the subsequent year.

Finance income and expense

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions and changes in the fair value of financial assets designated at fair value through profit or loss. Finance income and expense also includes the impact of foreign exchange gains and losses, respectively, on the Group's income.

Income tax expense

Income tax expense comprises current and deferred tax and is recognized in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized if the temporary difference arises from goodwill, from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and the temporary difference relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based upon the laws that have been enacted or substantively enacted at the statement of financial position date. The deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities within a single jurisdiction and when the Group intends to settle its current tax assets and liabilities on a net basis.

Where an uncertain tax position is identified, management will make a judgment as to what the probable outcome will be, assuming that the relevant tax authority has full knowledge of the situation. The local filing history, and status of relationship with the domestic tax authorities will be factored into management's judgment. Where it is considered that an economic outflow is probable, a provision is made for the best estimate of that liability. In estimating any such liability, a risk-based approach has been applied using weighted probabilities of a range of key likely outcomes. These estimates take into account the specific circumstances of each uncertain tax position, together with the opinion of relevant external advisers, as appropriate.

Capital management

The Group includes as capital the value of its redeemable shares (constituting par value and paid-in premium, net of any value held by the Employee Share Trust as defined below), Founder Share, retained earnings (deficit), other comprehensive income (loss), and translation reserve.

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The Group's objective in managing capital is to maintain its ability to continue as a going concern in order to provide returns for the holders of the redeemable shares. The Group manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk profile of its markets and underlying assets. The Group adjusts its capital needs by determining the amount of earnings to retain, the amount of shares it sells and the level of debt to maintain.

Employee Share Trust

The Company established an independent employee share trust (the "EST" or "trust"), the purpose of which is to purchase and sell shares in lieu of redemption as currently contemplated by the Articles of Association. Under the Companies Act, such transactions may occur irrespective of whether the Company has reserves available for distribution or proceeds of a new issuance of the Company's share capital. As such, the trust affords the Company with greater flexibility in transacting in the Company's share capital because it is not subject to the distributable reserves requirement applicable to the Company's redemptions under UK law. The cash for such transactions must be funded by the Company making contributions or non-interest-bearing loans to the trust. The trust has waived any entitlement to dividends and has no entitlement to vote under the Company's Articles of Association. The independent trustee of the trust retains significant discretion as to whether to enter into any particular transaction with respect to the shares, in each instance employing its judgment as to whether such transaction is for the benefit of the beneficiaries, which are certain employees of the Company, based on applicable law and tax regulations. The Group cannot predict whether the trustee will in the future act in the manner in which the Group currently anticipates. Moreover, the Company is not under any obligation to request that the trust purchase shares from departing shareholders that would otherwise be redeemed, even in the absence of distributable reserves. However, to the extent that the Company elects to make such requests, departing shareholders can be required under the Articles of Association to tender their shares to the trust.

Notes Payable

Upon redemption the employee share trust will establish a note payable in accordance with the Articles of Association, which provides for payments for shares purchased from former employees to be spread over a one- to eight-year period depending on the reason for the redemption and subject to the other conditions as set out in the Articles of Association. In addition, the Company pays interest on the outstanding notes payable balance. Interest is computed daily based on the Applicable Federal Rate as published by the US Internal Revenue Service. Interest is payable at the date of redemption.

Accounting for Employee Share Trust transactions

Transactions of the Company-sponsored trust are treated as being those of the Company and are therefore reflected in the Company and Group financial statements. In particular, shares held by the trust in the Company's share capital are presented as a deduction to redeemable shares.

2. Operating Expenses

	2023	2022
Employee related costs	\$ 1,397.9	\$ 1,191.3
Reimbursable expenses	188.4	136.1
Marketing and meetings	127.4	95.0
Operations and technology	102.0	96.3
Depreciation and amortization	43.9	37.7
Operating expenses	<u>\$ 1,859.6</u>	<u>\$ 1,556.4</u>

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3. Auditor's Remuneration

	2023	2022
Fees payable to the Group's auditor for the audit of the Company (including the consolidated financial statements)	\$ 0.8	\$ 0.7
Fees payable to the Group's auditor and associates for other services to the Group:		
The audits of the Group's subsidiaries, pursuant to legislation	0.7	0.7
Corporate finance fees	0.3	0.3
Other non-audit services	0.1	0.1
	<u>\$ 1.9</u>	<u>\$ 1.8</u>

Non-audit services are in line with the Group's policy on the allotment of such services. Audit and non-audit fees in 2023 and 2022 were rendered to Grant Thornton. Included in the other non-audit services are fees relating tax services of \$0.004 in 2023 (2022: \$0.003).

4. Staff Costs

	2023	2022
Average monthly employees		
Consultants	4,420	3,701
Administrative	1,459	1,215
	<u>5,879</u>	<u>4,916</u>
The aggregate remuneration of these employees was as follows:		
Wages and salaries	\$ 1,221.2	\$ 1,063.6
Social security costs	90.3	75.1
Other pension costs	74.2	40.9
	<u>\$ 1,385.7</u>	<u>\$ 1,179.6</u>

5. Directors' Remuneration

	2023	2022
Directors' emoluments (compensation related costs)	\$ 13.5	\$ 15.2
Contribution to money purchase pension schemes	0.4	0.5
	<u>\$ 13.9</u>	<u>\$ 15.7</u>
Highest paid director		
Director's emoluments (compensation related costs)	\$ 2.1	\$ 3.8
Contribution to money purchase pension schemes	0.1	0.1
	<u>\$ 2.2</u>	<u>\$ 3.9</u>

Retirement benefits are accruing to the following number of
directors under:

Money purchase schemes	9	11
Defined benefit schemes	5	2

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6. Finance Income and Finance Expense

	2023	2022
Finance income		
Interest income	\$ 4.5	\$ 1.1
Other income	2.5	3.0
Net foreign exchange gain	-	1.6
Net gain in fair value of financial assets through profit and loss (Note 18)	10.9	-
	<u>\$ 17.9</u>	<u>\$ 5.7</u>
Finance expense		
Interest expense on debt (Note 16)	\$ (1.7)	\$ (1.9)
Interest expense on leases (Note 10)	(3.6)	(2.8)
Net foreign exchange loss	(9.3)	-
Net loss in fair value of financial assets through profit and loss (Note 18)	-	(9.7)
	<u>\$ (14.6)</u>	<u>\$ (14.4)</u>

7. Income Taxes

	2023	2022
Current tax	\$ 76.6	\$ 73.7
Adjustments for prior periods	0.7	(0.4)
Deferred tax (Note 11)	(15.3)	(12.8)
Income tax expense	<u>\$ 62.0</u>	<u>\$ 60.5</u>

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Income tax expense for the period is reconciled to the profit before tax per the statement of comprehensive income as follows:

	2023	Percentage	2022	Percentage
Profit before tax	\$ 113.1		\$ 132.1	
Tax at the UK corporation tax rate of 23.5% (19.0% in 2022)	26.7	23.5%	25.1	19.0%
Tax expense (benefit) arising from deferred tax assets not recognized	(0.1)	(0.1)	(1.6)	(1.2)
Tax expense (benefit) arising from deferred tax assets previously not recognized	0.1	0.1	0.3	0.2
Effect of different tax rates of subsidiaries operating in other jurisdictions	3.3	2.9	5.3	4.0
Meals and entertainment	1.8	1.6	0.8	0.6
Withholding taxes in foreign jurisdictions	12.7	11.2	33.1	25.1
Effect of tax rate changes	0.7	0.6	0.4	0.3
Uncertain tax positions	12.9	11.4	(2.2)	(1.7)
Adjustments to prior year estimates	2.8	2.5	(2.0)	(1.5)
Other permanent items	0.8	0.7	1.3	1.0
Other	0.3	0.3	-	0.0
Tax expense and effective tax rate for the year	\$ 62.0	54.7%	\$ 60.5	45.8%

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8. Intangible Assets and Goodwill

	Trade Name	Customer Relationship	Technology and Other	Goodwill	Total
Cost					
At December 31, 2021	\$ 17.2	\$ 23.4	\$ 4.7	\$ 19.9	\$ 65.2
Acquisitions	0.4	-	3.5	4.5	8.4
Additions	-	-	3.5	-	3.5
Exchange differences	-	(0.3)	-	(0.1)	(0.4)
At December 31, 2022	17.6	23.1	11.7	24.3	76.7
Acquisitions	1.1	2.1	-	8.0	11.2
Additions	-	-	1.5	-	1.5
Exchange differences	0.1	0.2	0.1	0.5	0.9
At December 31, 2023	\$ 18.8	\$ 25.4	\$ 13.3	\$ 32.8	\$ 90.3
Accumulated amortization					
At December 31, 2021	\$ (14.7)	\$ (13.2)	\$ (1.8)	\$ -	\$ 29.7
Charge for the year	(0.2)	(1.2)	(1.7)	-	(3.1)
At December 31, 2022	(14.9)	(14.4)	(3.5)	-	(32.8)
Charge for the year	(0.4)	(1.2)	(3.3)	-	(4.9)
Exchange differences	-	(0.1)	(0.1)	-	(0.2)
At December 31, 2023	\$ (15.3)	\$ (15.7)	\$ (6.9)	\$ -	\$ (37.9)
Carrying amount - December 31, 2023	\$ 3.5	\$ 9.7	\$ 6.4	\$ 32.8	\$ 52.4
Carrying amount - December 31, 2022	\$ 2.7	\$ 8.7	\$ 8.2	\$ 24.3	\$ 43.9

Technology and other intangible assets include internally developed and acquired technology, noncompete agreements and backlog on contracts acquired in business combinations. Amortization expense is included in the statement of comprehensive income as a component of operating expenses.

Goodwill arising on consolidation is recognized as an asset and reviewed for impairment at least annually or when a change in circumstances or situation indicates that the goodwill has suffered an impairment loss. The need for impairment is tested by comparing the recoverable amount of the cash-generating unit ("CGU") to the carrying value. Any impairment is recognized immediately in the income statement. The carrying value of goodwill and intangibles at December 31, 2023 includes \$14.5 million allocated to Cervello, Inc. and \$14.5 million allocated to Prokura Management Consulting ApS, each a CGU, as well as goodwill and intangibles associated with separate CGU's related to the Group's acquisitions. For each CGU, the value-in-use was calculated over a five-year cash forecast horizon using a discount rate of 15.75%, which is the Group's weighted average cost of capital, and a 5-10% compound annual growth rate. Forecasts incorporate relevant strategic plans and market experience for each of the CGUs. All tests demonstrated significant headroom between the recoverable amount and the carrying value reported. As such, the impairment assessment over the carrying value of goodwill and intangibles indicated that no impairment was necessary.

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9. Property and Equipment

	Leasehold Improvements	Fixtures and Equipment	Vehicles	Total
Cost				
At December 31, 2021	\$ 49.8	\$ 82.3	\$ 1.6	\$ 133.7
Additions	6.6	11.4	0.6	18.6
Disposals	(0.8)	(2.3)	(0.3)	(3.4)
Exchange differences	(1.8)	(0.4)	0.2	(2.0)
At December 31, 2022	53.8	91.0	2.1	146.9
Additions	7.2	6.6	0.6	14.4
Disposals	(1.8)	(2.7)	(0.2)	(4.7)
Exchange differences	0.6	1.7	-	2.3
At December 31, 2023	\$ 59.8	\$ 96.6	\$ 2.5	\$ 158.9

	Leasehold Improvements	Fixtures and Equipment	Vehicles	Total
Accumulated depreciation and impairment				
At December 31, 2021	\$ (36.2)	\$ (67.6)	\$ (1.1)	\$ (104.9)
Additions	(3.7)	(6.4)	(0.2)	(10.3)
Disposals	0.7	3.8	0.3	4.8
Exchange differences	1.5	1.1	(0.2)	2.4
At December 31, 2022	(37.7)	(69.1)	(1.2)	(108.0)
Additions	(4.7)	(8.7)	(0.2)	(13.6)
Disposals	1.8	2.5	0.2	4.5
Exchange differences	(0.1)	0.2	(0.3)	(0.2)
At December 31, 2023	\$ (40.7)	\$ (75.1)	\$ (1.5)	\$ (117.3)
Carrying amount - December 31, 2023	\$ 19.1	\$ 21.5	\$ 1.0	\$ 41.6
Carrying amount - December 31, 2022	\$ 16.1	\$ 21.9	\$ 0.9	\$ 38.9

At December 31, 2023, the Group had entered into contractual commitments for the acquisition of property and equipment amounting to \$0.1 million (2022: \$1.3 million).

All depreciation and impairment charges are included within depreciation, amortization and impairment of non-financial assets. The value of property and equipment acquired through business combination reflected in additions was \$0.7 million and \$0.2 million for the years ending December 31, 2023 and 2022, respectively.

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10. Leases

Lease assets

Details of the Group's right-of-use assets and their carrying amounts are as follows:

	Office Buildings	Vehicles	Total
Cost			
At December 31, 2021	\$ 139.5	\$ 10.3	\$ 149.8
Additions	26.2	2.8	29.0
Re-measurements	(1.3)	0.2	(1.1)
Disposals	(16.7)	(1.6)	(18.3)
Exchange differences	(8.4)	(0.5)	(8.9)
At December 31, 2022	139.3	11.2	150.5
Additions	14.5	4.4	18.9
Re-measurements	4.4	0.4	4.8
Disposals	(2.8)	(3.2)	(6.0)
Exchange differences	1.6	0.5	2.1
At December 31, 2023	\$ 157.0	\$ 13.3	\$ 170.3
Accumulated depreciation and impairment			
At December 31, 2021	\$ (54.9)	\$ (3.7)	\$ (58.6)
Charge for the year	(20.3)	(4.0)	(24.3)
Disposals	16.3	1.4	17.7
Exchange differences	3.5	0.2	3.7
At December 31, 2022	(55.4)	(6.1)	(61.5)
Charge for the year	(21.3)	(4.1)	(25.4)
Disposals	2.8	3.1	5.9
Exchange differences	(0.7)	(0.2)	(0.9)
At December 31, 2023	\$ (74.6)	\$ (7.3)	\$ (81.9)
Carrying amount - December 31, 2023	\$ 82.4	\$ 6.0	\$ 88.4
Carrying amount - December 31, 2022	\$ 83.9	\$ 5.1	\$ 89.0

The Group has over 50 leases for office space from which it conducts its business. The lease terms vary but typically run for a period of between 3 to 15 years. The majority of leases include options to renew the lease for an additional period after the end of the contract term and approximately half of the leases include options to terminate. These terms are used to maximize operational flexibility in terms of managing contracts. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an option and are only included if reasonably certain to be exercised. Lease payments are generally fixed although a number of the leases have rentals that are linked to annual changes in an index such as the retail price index. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

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The Group leases vehicles in some countries for employees. The lease terms vary but typically run for a period of between two to four years. Effective December 1, 2020, the Group determined to no longer apply the practical expedient to account for vehicles' leases as low-value assets. Each vehicle lease is now reflected on the balance sheet as a right-of-use asset and a lease liability.

The Group's leases for office equipment are considered leases of low-value assets. Accordingly, the Group accounts for these leases using the practical expedient and payments in relation to these leases are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Lease liabilities

		2023	2022
Maturity analysis - contractual undiscounted cash flows			
Within one year	\$	27.1	
Within the first to second year		23.4	
Within the second to third year		18.8	
Within the third to fourth year		14.9	
Within the fourth to fifth year		10.5	
After five years		18.1	
Total undiscounted cash flows		112.8	
Discounted using incremental borrowing rate		(10.1)	
Lease liabilities as presented in the statement of financial position	\$	102.7	
Current	\$	23.9	
Non-current		78.8	
	\$	102.7	

The group has elected not to recognize a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. Total cash outflows related to leases are disclosed in Note 12.

Amounts recognized in profit or loss as follows:

	2023	2022
Interest on lease liabilities	\$ 3.6	\$ 2.8
Expenses relating to short-term leases	\$ 2.1	\$ 1.1
Expenses relating to leases of low-value assets	\$ 0.6	\$ 0.4

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11. Deferred Income Taxes

The following are the major deferred tax liabilities and assets recognized by the Group and the associated deferred tax benefit or expense recognized in the statement of comprehensive income for each component.

	Deferred Tax Asset (Liability) Recognized at December 31, 2023	Deferred Tax Benefit (Expense) Recognized in the Statement of Income	Other Comprehensive Income (Expense)	Exchange Differences Other	Deferred Tax Asset (Liability) Recognized at December 31, 2022
Compensation	\$ 73.3	\$ 6.0	\$ -	\$ (0.2)	\$ 79.1
Retirement/pensions	44.2	9.4	(0.3)	0.5	53.8
Property and equipment	3.2	0.7	-	-	3.9
Lease liabilities	21.1	1.7	-	0.1	22.9
Right of use assets	(19.8)	(2.1)	-	(0.1)	(22.0)
Intangible assets	3.7	(0.1)	-	-	3.6
Trade receivable	2.8	(1.7)	-	(0.1)	1.0
Insurance	(1.6)	-	-	-	(1.6)
Contract liabilities	(1.7)	(1.4)	-	-	(3.1)
Contract assets	(2.0)	2.3	-	0.1	0.4
Tax losses (NOLs)	7.0	0.2	-	0.1	7.3
Foreign tax credits	6.3	0.8	-	0.1	7.2
Other	(9.0)	(0.5)	-	-	(9.5)
Total	\$ 127.5	\$ 15.3	\$ (0.3)	\$ 0.5	\$ 143.0
Deferred tax asset					\$ 143.6
Deferred tax liability					(0.6)
Total					\$ 143.0

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	Deferred Tax Asset (Liability) Recognized at December 31, 2022	Deferred Tax Benefit (Expense) Recognized in the Statement of Income 2021	Other Comprehensive Income (Expense) 2022	Exchange Differences Other 2022	Deferred Tax Asset (Liability) Recognized at December 31, 2022
Compensation	\$ 63.4	\$ 11.6	\$ -	\$ (1.7)	\$ 73.3
Retirement/pensions	43.3	2.6	-	(1.7)	44.2
Property and equipment	3.6	(0.2)	-	(0.2)	3.2
Lease liabilities	21.3	0.9	-	(1.1)	21.1
Right of use assets	(20.5)	(0.4)	-	1.1	(19.8)
Intangible assets	0.7	3.1	-	(0.1)	3.7
Trade receivable	2.7	0.2	-	(0.1)	2.8
Insurance	(1.6)	-	-	-	(1.6)
Contract liabilities	(1.3)	(0.5)	-	0.1	(1.7)
Contract assets	-	(2.0)	-	-	(2.0)
Tax losses (NOLs)	12.0	(4.4)	-	(0.6)	7.0
Foreign tax credits	6.1	0.2	-	-	6.3
Other	(10.9)	1.7	-	0.2	(9.0)
Total	\$ 118.8	\$ 12.8	\$ -	\$ (4.1)	\$ 127.5
Deferred tax asset					\$ 128.6
Deferred tax liability					(1.1)
Total					\$ 127.5

Compensation-related deferred tax assets relate primarily to timing differences in jurisdictions where for financial reporting purposes bonus expense is recognized in the period when service is rendered but for taxation purposes it is recognized in the period when bonus payment is made. Certain potential deferred tax assets amounting to \$31.3 million (2022: \$33.1 million) (NOLs in the amount of \$19.6 million (2022: \$22.6 million)) have not been recognized because, under application of IFRS criteria, it is judged not sufficiently probable that future taxable profit will be available against which the Group can utilize the benefits therefrom. In accordance with IFRS, deferred tax assets have been recognized based on expected future taxable profits over an appropriate estimation period to the extent that they are probable. The future profits are probability weighted to reflect the increased uncertainty of profits arising in later years. It should be noted, however, that while tax assets have not been recognized in respect of certain NOLs (to the extent the expected taxable profits do not meet the certainty criteria required by IFRS), \$19.6 million of these unrecognized NOLs have lives extending to 2028 and beyond. The Company had \$18.9 million of recognized deferred tax assets in 2023 and \$15.7 million of deferred tax assets in 2022 for entities that suffered a loss in either the current or preceding period in the tax jurisdiction to which the deferred tax assets relate. The types of evidence that suggest recognition of these deferred tax assets are appropriate include strong earnings history, forecasted earnings, and sufficient time to utilize the tax losses before they expire.

Following the amendments to IAS 12, the scope of the initial recognition exemption has been narrowed so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, the gross deferred tax assets and liabilities relating to the application of lease liabilities and right of use assets is disclosed above. They are netted off in the consolidated statement of financial position as they are settled in the same statutory entity. This has been retrospectively applied to prior year deferred tax assets and liabilities, and the resulting balances disclosed.

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Tax losses carried forward in selected countries expire as follows:

2023	Belgium	Brazil	Hong Kong	Italy	Singapore	UK	Other	Total
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-
2028 and later	-	-	-	-	-	-	0.4	0.4
Not time-limited	7.4	21.9	45.6	18.9	14.0	4.4	8.2	120.4
Tax losses carried forward	\$ 7.4	\$ 21.9	\$ 45.6	\$ 18.9	\$ 14.0	\$ 4.4	\$ 8.6	\$ 120.8

As of December 31, 2023, the amount of NOL deferred taxes that have not been recognized is \$19.6 million. The tax losses upon which deferred tax assets have been recognized is \$7.3 million.

2022	Belgium	Brazil	Hong Kong	Italy	Singapore	Norway	Other	Total
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.2
2024	-	-	-	-	-	-	0.2	0.2
2025	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	0.3	0.3
2027 and later	-	-	-	-	-	-	3.3	3.3
Not time-limited	7.5	21.8	44.1	18.4	17.1	3.6	16.8	129.3
Tax losses carried forward	\$ 7.5	\$ 21.8	\$ 44.1	\$ 18.4	\$ 17.1	\$ 3.6	\$ 20.8	\$ 133.3

As of December 31, 2022, the amount of NOL deferred taxes that have not been recognized is \$22.6 million. The tax losses upon which deferred tax assets have been recognized is \$7.0 million.

No liability has been recognized in respect of temporary differences associated with the Company's investments in subsidiaries because the Company is able to control the timing of the reversal of the temporary differences, and it is probable that most differences will not reverse in the near future. As a result, no liability has been recorded.

As of December 31, 2023, the Group has recorded tax-related provisions of \$29.3 million (2022: \$16.4 million). This amount is subject to discussions with the tax authorities in multiple jurisdictions. As a result, the Group is unable to assess with certainty the actual liability which will crystalize. However, the impact of any adjustment either individually or collectively is not expected to be material in any financial period.

Royal Assent of the Finance Tax Act 2021 was granted on June 10, 2021, which included an increase in the UK corporate income tax rate, from 19% to 25% with effect from April 1, 2023. The effect of this increase is reflected in the results for the year ended December 31, 2023.

On June 20, 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15%. The legislation implements a domestic top-up tax and a multinational top-up tax, effective for accounting periods starting on or after December 31, 2023. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group

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has taken the necessary steps to assess and conclude that the transitional Pillar Two safe harbor exemptions would be available to all relevant entities such that there should not be an additional tax impact arising from the Pillar Two rules while the exemptions continue to be available.

12. Other Financial Assets and Liabilities

Financial Assets

2023	Amortized Cost	FV/TPL	Total
Marketable securities (See Note below)	\$ -	\$ 83.3	\$ 83.3
Debt securities (See Note below)	8.4	-	8.4
Total other financial assets	8.4	83.3	91.7
Trade receivables (Note 14)	505.9	-	505.9
Contract assets (Note 14)	227.8	-	227.8
	<u>\$ 742.1</u>	<u>\$ 83.3</u>	<u>\$ 825.4</u>

2022	Amortized Cost	FV/TPL	Total
Marketable securities (Note 18)	\$ -	\$ 53.7	\$ 53.7
Debt securities (See Note below)	7.9	-	7.9
Total other financial assets	7.9	53.7	61.6
Trade receivables (Note 14)	519.4	-	519.4
Contract assets (Note 14)	257.4	-	257.4
	<u>\$ 784.7</u>	<u>\$ 53.7</u>	<u>\$ 838.4</u>

The financial assets designated at fair value through profit and loss include investments in marketable securities or mutual funds held to partly fund the Group's obligations under the Supplemental and Executive Retirement Plan or Executive Deferral Plan (see Note 18) and the Group's investment in Kearney Ventures, LLC, a fund established to generate returns on investments in venture capital. The Group committed \$20 million to Kearney Ventures, LLC in fiscal year 2022 with \$10 million of its commitment remaining as of December 31, 2023. The fair value of the Group's investment in Kearney Ventures, LLC was \$9.5 million at December 31, 2023. The financial assets at amortized cost include life insurance policies on certain retired employees, measured on cash surrender values provided by the insurance company.

Financial Liabilities

2023	Amortized Cost	FV/TPL	Total
Marketable securities (Note 18)	\$ -	\$ 82.4	\$ 82.4
Debt securities (Note 16)	15.2	-	15.2
Total other financial liabilities	15.2	82.4	97.6
Trade payables	57.1	-	57.1
	<u>\$ 72.3</u>	<u>\$ 82.4</u>	<u>\$ 154.7</u>

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2022	Amortized Cost	FVTPL	Total
Marketable securities (Note 18)	\$ -	\$ 61.3	\$ 61.3
Debt securities (Note 16)	27.1	-	27.1
Total other financial liabilities	27.1	61.3	88.4
Trade payables	65.3	-	65.3
	\$ 92.4	\$ 61.3	\$ 153.7

The Group's exposure to credit, currency, and interest rate risks related to financial assets at fair value through profit and loss is disclosed in Note 13. The obligations for the retirement plans are disclosed as part of other long-term incentive plans as part of non-current liabilities.

Reconciliation of Liabilities Arising from Financing Activities

	Borrowings Under Credit Facility	Notes Payable	Mandatorily Redeemable Shares	Lease Liabilities	Total
December 31, 2021	\$ -	\$ 19.4	\$ 332.7	\$ 103.6	\$ 455.7
Cash-flows:					
Repayment	(58.8)	(16.1)	-	(25.9)	(100.8)
Proceeds	58.8	-	-	-	58.8
Non-cash:					
Notes issued for redeemable shares	-	23.8	-	-	23.8
Equity Accounting Transition (Note 19)	-	-	(332.7)	-	(332.7)
Lease additions, net	-	-	-	21.1	21.1
Lease interest expense	-	-	-	2.8	2.8
December 31, 2022	-	27.1	-	101.6	128.7
Cash-flows:					
Repayment	(49.5)	(22.4)	-	(27.6)	(99.5)
Proceeds	49.5	-	-	-	49.5
Non-cash:					
Notes issued for redeemable shares	-	10.5	-	-	10.5
Lease additions, net	-	-	-	25.0	25.0
Lease interest expense	-	-	-	3.7	3.7
December 31, 2023	\$ -	\$ 15.2	\$ -	\$ 102.7	\$ 117.9

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13. Financial Instruments

The Group's financial risk of credit, liquidity, currency, and interest is managed on a day-to-day basis by a corporate treasury group interacting with local finance teams and the board of directors to ensure that the agreed upon objectives are met. Exposure to credit, interest, and foreign exchange risk arises through the normal course of the Group's operations. This note presents information about the Group's exposure to each. The Group's objectives, policies, and processes for measuring and managing risk are included throughout these consolidated financial statements.

Credit risk

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Group's exposure to credit risk is in respect of financial assets at fair value through profit or loss and is mitigated by transacting with counterparties with high credit ratings assigned by international credit rating agencies. All changes in the value of the financial assets at fair value through the profit and loss are due to market conditions.

Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

Therefore, the maximum exposure to credit risk, excluding the balance of cash and cash equivalents of \$322.5 million (2022: \$180.0 million), at the reporting date was:

	2023	2022
Trade and other receivables	\$ 505.9	\$ 519.4
Contact assets	227.8	257.4
Financial assets at fair value through profit or loss	83.3	53.7
Financial assets at amortized cost	8.4	7.9
	<u>\$ 825.4</u>	<u>\$ 838.4</u>

Trade and other receivables

Payment of invoices can vary by country and interest is rarely charged on trade receivables. The Group utilizes a specific reserving methodology to consider impairment under IFRS 9 when a trade receivable is identified as a risk of non-payment.

Included in the Group trade receivables balance are debtors that are past due at the reporting date of \$225.5 million (2022: \$195.3 million) for which the Group has provided an allowance of \$3.8 million (2022: \$5.3 million). The Group does not hold any collateral over these balances.

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The aging of trade receivables at the reporting date was:

	2023		2022	
	Receivables	Allowance	Receivables	Allowance
Not due and past due 1-30 days	\$ 373.5	\$ -	\$ 439.4	\$ -
Past due 31-150 days	91.5	-	44.3	-
Past due more than 150 days	40.9	(3.8)	35.7	(5.3)
	<u>\$ 505.9</u>	<u>\$ (3.8)</u>	<u>\$ 519.4</u>	<u>\$ (5.3)</u>

The Group's exposure to credit risk is influenced by the individual characteristics and location of each client. The Group's receivables are not concentrated in one specific client or industry. Credit risk is managed at the project level by the project teams following up on receivables past due, along with business head reviews of aging and specific client issues.

Movement in allowance for expected credit losses:

	2023	2022
Balance at January 1	\$ (5.3)	\$ (9.8)
Collections	2.9	5.2
Amount when written down	1.1	1.9
Charge for the year	(2.5)	(2.6)
Balance at December 31	<u>\$ (3.8)</u>	<u>\$ (5.3)</u>

An allowance for lifetime expected credit losses is recognized against trade receivables where shortfalls in contractual cash flows are expected using both historical experience and forward-looking macroeconomic factors affecting the client's ability to settle any amount outstanding. The maximum exposure to credit risk is represented by the carrying value for financial assets at the statement of financial position date. The exposure to credit risks on contract assets is not deemed to be material.

Liquidity risk

The Group has built an appropriate liquidity risk management framework that aims to ensure that the Group has sufficient cash or credit facilities at all times to meet all the current and forecast liabilities as they fall due. It is the intention to continue to finance the activities and development of the Group from retained earnings and redeemable shares and to operate the Group's business while maintaining the net cash/debt position within a relative band.

Cash and cash equivalents at the year-end relate to cash at bank. Cash surpluses are periodically invested in short-term deposits, with any working capital requirements being provided from the Group cash resources, Group facilities, or by overdraft facilities. The Group also operates a multi-currency cash pool to facilitate interest and bank consolidation of cash and bank overdrafts. The Group has a legal right to offset bank overdrafts and intends to settle on a net basis which meet the criteria for presenting bank overdrafts on a net basis within cash and cash equivalents.

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The following are contractual maturities of financial liabilities:

	0-3 Month	3-12 Months	More Than 12 Months	Total
Trade Payables (Note 15)				
2023	\$ 54.0	\$ 3.1	\$ -	\$ 57.1
2022	65.3	0.1	-	65.4
Lease Liabilities (Note 10)				
2023	5.8	18.1	78.8	102.7
2022	4.7	16.1	80.8	101.6
Borrowings Under Credit Facility (Note 16)				
2023	-	-	-	-
2022	-	-	-	-
Notes Payable (Note 16)				
2023	2.1	1.8	11.3	15.2
2022	12.3	3.3	11.5	27.1
Total				
2023	\$ 61.9	\$ 23.0	\$ 90.1	\$ 175.0
2022	\$ 82.3	\$ 19.5	\$ 92.3	\$ 194.1

Currency risk

Foreign exchange fluctuations are an element of the Group's business outside the U.S. where a significant amount of revenue is non-U.S. dollar denominated. This risk is reduced by the natural hedging that occurs within an entity's statement of comprehensive income maintained in the local currency, where the translation impact for revenue is offset by the translation impact created by the entity's expenses.

Significant non-us denominated financial assets and financial liabilities by currency:

	2023	2022
EUR trade receivables and other assets	\$ 108.2	\$ 118.9
GBP trade receivables and other assets	38.3	32.9
INR trade receivables and other assets	26.3	27.3
Other trade receivables and other assets	105.1	100.1
	2023	2022
EUR cash and cash equivalents	\$ 13.6	\$ 20.3
CHF cash and cash equivalents	17.1	2.7
INR cash and cash equivalents	13.4	6.9
JPY cash and cash equivalents	6.1	5.9
Other cash and cash equivalents	44.0	35.6

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Sensitivity analysis – currency risk

A 10% strengthening of the dollar against the following currencies at December 31, 2023 would have increased/(decreased) equity and profit or loss before tax by the amounts shown in the table. This analysis is applied currency by currency in isolation, ignoring the impact of currency correlation, and assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2022.

2023	Equity	PBT
EUR	\$ (8.7)	\$ (1.0)
GBP	(4.8)	(0.5)
DKK	(2.6)	(0.1)
Other	(10.3)	(2.8)

2022	Equity	PBT
EUR	\$ (4.9)	\$ (1.4)
GBP	(4.2)	(0.4)
CHF	(1.9)	(0.1)
Other	(6.3)	(0.5)

A 10% weakening of the dollar against the above currencies at December 31, 2023 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group is subject to interest rate risk on the cash which is invested in highly liquid investments (certificates of deposits) with maturities of 3 months or less as well as other short-term instruments. At December 31, 2023 and 2022, the Group held only cash.

In addition, the Group is exposed to interest rate risk on the shares where notices of redemption have been issued in respect of the holders of the redeemable shares whose employment with the Group has been terminated. The loans carry a floating rate of interest linked to the Federal funds rate.

The Group is also subject to interest rate risk on the borrowings from its revolving credit facility. Outstanding borrowings carry a floating rate of interest linked to either the prime rate or SOFR rate.

Sensitivity analysis – interest rate risk

A one percentage point decrease in the interest rate would have increased (decreased) the equity and the profit and loss before tax by the amounts shown in the table. This analysis has been performed for illustrative purposes only using reasonable possible changes, on the basis that all other variables, cash balances in particular, remain constant.

	Equity	PBT
2023	\$ 0.7	\$ 0.7
2022	0.3	0.3

A one percentage point increase in the interest rate would have had the equal but opposite effect on the basis that all other variables remained constant.

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Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities reported on the consolidated statement of financial position approximate their respective fair values due to their short-term maturity. We do not consider that there is a material difference between the carrying amounts of the non-current financial liabilities due to their quantum and the credit worthiness of the Group.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
2023				
Financial assets designated at fair value through profit and loss	\$ 73.8	\$ 9.5	\$ -	\$ 83.3
Other long-term employee liabilities (Note 18)	-	(82.4)	-	(82.4)
Contingent consideration (Note 1)	-	-	(13.5)	(13.5)
Notes payable (Note 16)	-	-	(15.2)	(15.2)
	<u>\$ 73.8</u>	<u>\$ (72.9)</u>	<u>\$ (28.7)</u>	<u>\$ (27.8)</u>

	Level 1	Level 2	Level 3	Total
2022				
Financial assets designated at fair value through profit and loss	\$ 53.7	\$ -	\$ -	\$ 53.7
Other long-term employee liabilities (Note 18)	-	(61.3)	-	(61.3)
Contingent consideration (Note 1)	-	-	(15.0)	(15.0)
Notes payable (Note 16)	-	-	(27.1)	(27.1)
	<u>\$ 53.7</u>	<u>\$ (61.3)</u>	<u>\$ (42.1)</u>	<u>\$ (49.7)</u>

Considerations around capital management risks are referenced in Note 1.

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14. Trade Receivables and Other Assets

	2023	2022
Trade receivables	\$ 505.9	\$ 519.4
Contract assets	227.8	257.4
Other receivables	28.1	26.2
Prepayments	61.2	54.6
Total gross receivables	823.0	857.6
Less: allowance for expected credit losses	(3.8)	(5.3)
Total trade receivables and other assets	\$ 819.2	\$ 852.3
Current	\$ 794.3	\$ 825.6
Non-current	24.9	26.7
	\$ 819.2	\$ 852.3

The Group's receivables' due dates can vary by country.

The Group's credit risk is primarily attributable to its trade receivables and contract assets. The amounts presented in the statement of financial position are net of allowances for lifetime expected credit losses. An allowance for impairment is made when, based on aging analysis of trade receivables and previous experience, shortfalls in contractual cash flows are expected.

Movement in contract assets and liabilities:

	Contract Assets	Contract Liabilities
December 31, 2021	\$ 206.1	\$ (67.9)
Revenue recognized that was included in the contract liability balance at the beginning of the period	-	67.9
Increases as a result of amounts recognized as revenue during the period	1,697.2	-
Increases due to invoices raised, excluding amounts recognized as revenue during the period	-	(75.9)
Transfers from contract assets to trade receivables during the period	(1,645.9)	-
December 31, 2022	\$ 257.4	\$ (75.9)
Revenue recognized that was included in the contract liability balance at the beginning of the period	-	75.9
Increases as a result of amounts recognized as revenue during the period	1,969.4	-
Increases due to invoices raised, excluding amounts recognized as revenue during the period	-	(68.5)
Transfers from contract assets to trade receivables during the period	(1,999.0)	-
December 31, 2023	\$ 227.8	\$ (68.5)

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15. Trade and Other Payables

	2023	2022
Employee related	\$ 576.9	\$ 509.2
Trade payables	57.1	65.3
VAT/sales tax	32.0	37.2
Other creditors	21.5	15.0
Contract liabilities	68.5	75.9
	<u>\$ 756.0</u>	<u>\$ 702.6</u>
Current	\$ 629.5	\$ 601.2
Non-current	126.5	101.4
	<u>\$ 756.0</u>	<u>\$ 702.6</u>

Non-current liabilities contain \$110.3 million and \$92.0 million of employee-related items at December 31, 2023 and 2022, respectively.

Trade payables and other creditors principally comprise amounts outstanding for trade purchases, short-term employee benefits, and contingent consideration as a result of business combinations referenced in Note 1.

16. Debt

Description of Credit Agreement

On May 31, 2022, the Company and certain of its subsidiaries entered into a credit facility (the “facility”) with various financial institutions including Bank of America N.A as Administrative Agent. The facility provides for up to \$450.0 million of credit and will expire on May 31, 2027. It is secured by assets of A.T. Kearney Holdings and certain of its subsidiaries.

The Company had borrowings under the facility of \$nil as of December 31, 2023 (2022: \$nil). The Group utilizes the facility for short-term liquidity needs and the issuance of letters of credit which aggregated to approximately \$22.5 million as of December 31, 2023, (2022: \$18.9 million). The issuance of a letter of credit reduces the amount of available borrowing under the credit facility. Interest on outstanding borrowings for base rate loans is calculated with daily fluctuating rate of interest per annum equal to the highest of (a) the Federal Funds Rate *plus* 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) Term SOFR *plus* 1.00%. Any accrued interest shall be payable the last business day of each March, June, September and December and the maturity date. Interest on outstanding borrowings for SOFR rate loans is calculated with a rate per annum *plus* the SOFR adjustment for such interest period. The facilities contain certain financial and other restrictive covenants that would allow any amounts outstanding under the facilities to be accelerated or restrict the Group’s ability to borrow in the event of noncompliance. The Group was in compliance with all covenants at December 31, 2023. In addition to the facility, the Group issued guarantees to clients related to the tender and performance phases of certain engagements. Guarantees outstanding at December 31, 2023 were \$39.8 million (2022: \$38.7 million); none of which were drawn.

Notes Payable

Upon redemption the employee share trust will establish a note payable in accordance with the Articles of Association, which provides for payments for shares purchased from former employees to be spread over a one-to eight-year period depending on the reason for the redemption and subject to the other conditions as set out in the Articles of Association. The redemption price may differ depending on the timing and circumstances of the departure.

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In addition, the Company pays interest on the shares where notices of redemption have been issued in respect of the holders of the redeemable shares. Up to November 17, 2017, the interest on the shares under notice of redemption was computed quarterly based on the prime rate (the interest rate that commercial banks charge their most creditworthy borrowers as published in The Wall Street Journal). From November 17, 2017 until May 11, 2022, the interest on shares under notice of redemption was computed daily based on the Federal Reserve Bank of New York rate. From May 12, 2022, the interest on the shares under notice of redemption is computed based on the Applicable Federal Rate as published by the US Internal Revenue Service. Interest is payable at the date of redemption. During the year, \$22.4 million (2022: \$16.0 million) of notes payable to former employees were settled in cash, and \$10.5 million (2022: \$23.7 million) of shares were purchased by the employee share trust. An analysis of the currently expected payment dates and amounts are shown below:

Year	Total
2024	\$ 3.9
2025	2.4
2026	2.9
2027	2.8
2028 and later	3.2
	<u>\$ 15.2</u>

17. Post-Employment Benefit Obligations

Defined Contribution Plans

The Group, through its subsidiaries, operates several defined contribution benefit plans. In some countries, contributions are made into state plans.

The total cost for the year related to defined contribution plans, including state plans, was \$51.0 million (2022: \$43.0 million) representing contributions payable to these plans at rates specified in the respective scheme rules. The Group's obligation is limited to the contributions due for the year which are expensed as incurred. As of December 31, 2023, the Group had accrued contributions of \$107.8 million (2022: \$82.5 million) related to defined contribution plans. The accrued contributions include the liabilities under the Supplemental and Executive Retirement Plan in Note 18.

Defined Benefit Plans

The Group, through its subsidiaries, operates 12 (2022: 12) defined benefit plans worldwide for qualifying employees, of which eleven are retirement benefit plans or have payments due at the cessation of employment and one is a post-retirement medical benefit plan. The plans typically provide benefits based on years of qualifying service and final salary as specified in the individual plan. The defined benefit plans expose the Group to actuarial risks such as interest rate, salary rate, longevity, and investment risk. In the funded plans, the Group invests a portion of plan assets in liability-driven investment portfolios, which hold investments designed to offset interest rate risks, and in insurance contracts, to mitigate some of these risks.

The plans in Germany and the UK are funded through separately administered schemes. Such plans are funded by contributions from the employing entities and in some cases also by employees.

The UK plan is closed to new entrants. The plan is subject to the scheme funding requirements outlined in UK legislation and is governed by an independent trustee board. Contributions are agreed by the trustees and the employing entity every three years as part of a funding valuation. The last triennial valuation was performed at January 31, 2021 and no contributions were required as an escrow account designed to meet unquantified liabilities of the plan was determined to have more than sufficient funds at that time. No assets may be removed from the escrow account without the consent of the trustees. The trustees hold an insurance policy matching the established liabilities

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of the plan. Consequently, the main risks related to these liabilities is that the insurance provider defaults on the buy-in policy and the trustees are unable to recover the full value. This event is extremely unlikely given the regulatory capital requirements for insurance companies and other regulatory protections in place. As the employing entity is not entitled to an unconditional right to a refund of any surplus in the plan if the plan winds up, the surplus has been restricted in the statement of financial position in respect of the plan surplus under the accounting valuation. With effect from July 4, 2023 the plan has entered the formal process of being wound up and once the trustees have settled the outstanding liabilities, the insurance policy will be converted into individual policies for the benefit of the plan's members. As it is in wind up, the plan is exempt from the requirement to perform a valuation at January 31, 2024.

The German plan is governed by a contractual trust agreement between the employing entity and an independent trust board in accordance with German legislation. The employing entity is required to fully fund a minimum level of benefits earned by employees each year, which are predominantly cash lump sum payments at retirement plus some contingent death and disability benefits. Historically, the employing entity has understood that it has discretion over the distribution of any surplus in the plan, and when a surplus has existed, it has recognized this on its balance sheet. However, there has been practice of paying employees a share of any surplus available, which has become more significant as the plan matures. As a result, it was determined in 2021 that the German pension scheme includes both a fixed and variable element. As such, the defined benefit obligation should be set to be the higher of the value of the contributions paid into the scheme (the guaranteed element), and the value of the assets in the scheme (the variable element). The value of the contributions paid into the scheme has been determined using the Projected-Unit-Credit method, and the assets are valued at fair value. The maximum (on an individual level) is used to calculate the defined benefit obligation for this scheme. This change was recognized as a one-time past service cost amendment in the amount of \$ 32.4 million in the year ended December 31, 2021.

The Norwegian plan had a funded and an unfunded component. The funded component was closed effective January 1, 2022 and all benefits fully settled. The unfunded component is closed to new entrants and benefits are secured through a pension insurance contract.

A cash balance plan operates for U.S. partners, sponsored by the employing entity. Members of the plan benefit from a guaranteed return on their savings accounts in line with asset investment returns, which effectively minimizes risk to the employing entity. Benefits accrued under this plan are funded with cash contributions by the employing entity as required under ERISA and IRS regulations. Plan investments are managed by an investment committee established by the employing entity.

The retirement plans in Japan, France, Italy, Indonesia, UAE, India, and the medical plan in the U.S. are unfunded. The Group has obligations to certain eligible retirees under a former U.S. post-retirement medical benefit program which is now closed to new entrants. The current U.S. post-retirement medical plan provides access to healthcare for eligible retirees and the costs of this plan are fully funded by the beneficiaries.

Following legislative changes in Italy, benefit entitlements accruing after January 1, 2007 under the Italian retirement benefit plan are accounted for as defined contributions. Benefit entitlements accrued up to the date of this change continue to be accounted for as defined benefits.

Following legislative changes in Dubai, the DIFC End of Service Gratuity regime ceased on January 31, 2021 and was replaced by the DIFC Employee Workplace Savings Scheme. Benefit entitlements accrued in the Dubai plan up to the date of this change continue to be accounted for as defined benefits. Benefit entitlements accruing after the date of this change are accounted for as defined contributions.

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The following table presents the reconciliation from the opening balances to the closing balances for net defined benefit (liability) asset and its components:

	Defined Benefit Obligation		Fair Value of Plan Assets		Adjustment for Asset Ceiling		Net Defined Benefit (Liability) Asset
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Asset
2023							
Balance at January 1, 2023	\$ (179.4)	\$ (24.0)	\$ 175.9	\$ -	\$ (1.9)	\$ -	\$ (29.4)
Current service costs	(8.9)	(4.0)	-	-	-	-	(12.9)
Past service costs	-	(0.1)	-	-	-	-	(0.1)
Settlement gain	-	-	-	-	-	-	-
Interest (expense) income	(7.6)	(1.0)	7.5	-	(0.1)	-	(1.2)
Included in profit or loss	(16.5)	(5.1)	7.5	-	(0.1)	-	(14.2)
Actuarial gains (losses) from changes in demographic assumptions	-	-	-	-	-	-	-
Actuarial gains (losses) from changes in financial assumptions	(0.8)	(0.3)	-	-	-	-	(1.1)
Actuarial gains (losses) from experience adjustments	(7.0)	0.9	-	-	-	-	(6.1)
Return (loss) on plan assets excluding interest income	-	-	9.3	-	-	-	9.3
Effect of asset ceiling limit excluding amounts included in interest income (expense)	-	-	-	-	0.2	-	0.2
Remeasurement gains (losses)	(7.8)	0.6	9.3	-	0.2	-	2.3
Exchange differences	(5.2)	0.5	5.2	-	(0.1)	-	0.4
Included in other comprehensive income	(13.0)	1.1	14.5	-	0.1	-	2.7
Employer contributions	-	-	8.8	4.5	-	-	13.3
Member contributions	-	(0.5)	-	0.5	-	-	-
Benefits paid	7.1	5.0	(7.1)	(5.0)	-	-	-
Other	-	-	-	-	-	-	-
Balance at December 31, 2023	\$ (201.8)	\$ (23.5)	\$ 199.6	\$ -	\$ (1.9)	\$ -	\$ (27.6)
Medical benefit plan – unfunded							\$ (0.3)
Retirement benefit plans – unfunded							(23.2)
Retirement benefit plans – funded							(4.1)
							\$ (27.6)

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	Defined Benefit Obligation		Fair Value of Plan Assets		Adjustment for Asset Ceiling		Net Defined Benefit (Liability) Asset
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Asset
2022							
Balance at January 1, 2022	\$ (209.8)	\$ (28.8)	\$ 207.9	\$ -	\$ (2.0)	\$ -	\$ (32.7)
Current service costs	(7.5)	(3.3)	-	-	-	-	(10.8)
Past service costs	-	0.4	-	-	-	-	0.4
Settlement gain	0.4	-	-	-	-	-	0.4
Interest (expense) income	(2.4)	(0.7)	2.4	-	-	-	(0.7)
Included in profit or loss	(9.5)	(3.6)	2.4	-	-	-	(10.7)
Actuarial gains (losses) from changes in demographic assumptions	-	1.6	-	-	-	-	1.6
Actuarial gains (losses) from changes in financial assumptions	12.4	2.6	-	-	-	-	15.0
Actuarial gains (losses) from experience adjustments	9.0	(0.5)	-	-	-	-	8.5
Return (loss) on plan assets excluding interest income	-	-	(24.1)	-	-	-	(24.1)
Effect of asset ceiling limit excluding amounts included in interest income (expense)	-	-	-	-	(0.1)	-	(0.1)
Remeasurement gains (losses)	21.4	3.7	(24.1)	-	(0.1)	-	0.9
Exchange differences	13.4	1.9	(13.4)	-	0.2	-	2.1
Included in other comprehensive income	34.8	5.6	(37.5)	-	0.1	-	3.0
Employer contributions	-	-	8.2	2.8	-	-	11.0
Member contributions	-	(0.4)	-	0.4	-	-	-
Benefits paid	5.1	3.2	(5.1)	(3.2)	-	-	-
Other	-	-	-	-	-	-	-
Balance at December 31, 2022	\$ (179.4)	\$ (24.0)	\$ 175.9	\$ -	\$ (1.9)	\$ -	\$ (29.4)
Medical benefit plan – unfunded							\$ (0.3)
Retirement benefit plans – unfunded							(23.7)
Retirement benefit plans – funded							(5.4)
							\$ (29.4)

The Group expects to contribute approximately \$12.7 million (2022: \$12.0 million) to its funded and unfunded defined benefit schemes in the year ended December 31, 2024.

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The allocation of plan assets at the statement of financial position date was as follows:

	2023			2022		
	Quoted in Active Market	Other	Total	Quoted in Active Market	Other	Total
Equities	\$ 129.6	\$ 18.6	\$ 148.2	\$ 90.7	\$ 37.7	\$ 128.4
Corporate bonds	7.4	-	7.4	5.9	-	5.9
Insurance contracts	-	22.2	22.2	-	21.0	21.0
Cash	-	5.8	5.8	-	6.2	6.2
Other assets	-	16.0	16.0	-	14.4	14.4
	<u>\$ 137.0</u>	<u>\$ 62.6</u>	<u>\$ 199.6</u>	<u>\$ 96.6</u>	<u>\$ 79.3</u>	<u>\$ 175.9</u>

The principal assumptions as at the statement of financial position date (expressed as weighted average of the assumptions used for the individual plans) can be summarized as follows:

	2023	2022
Discount rate	3.6%	4.2%
Expected rate of future salary increases	3.2%	3.1%
Expected rate of future pensions in payment increases	0.3%	0.3%

The assumed life expectancies (in years) on retirement at age 65 for the UK plan is as follows:

	2023	2022
<u>Retiring today:</u>		
Males	22.6	22.6
Females	23.7	23.7
<u>Retiring in 20 years:</u>		
Males	22.6	22.5
Females	24.7	24.6

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At December 31, 2023, the weighted-average duration of the defined benefit obligation was 9.4 years (2022: 9.4 years). A reasonable possible change to one of the principal assumptions, holding other assumptions constant, would have (increased) decreased the defined benefit obligation at December 31, 2023 by the amounts shown below:

Sensitivity Analysis	(Increase) Decrease in Defined Benefit
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Discount Rate:

Increase by 50 basis points	\$ 0.9
Decrease by 50 basis points	(1.0)

Expected rate of future salary increases:

Increase by 50 basis points	(0.8)
Decrease by 50 basis points	0.7

Expected rate of future pensions in payment increases:

Increase by 50 basis points	-
Decrease by 50 basis points	-

Future life expectancy (one year movement):

Increase by 50 basis points	-
Decrease by 50 basis points	-

The sensitivity analysis excludes liabilities connected to the UK scheme. This is on the basis that these liabilities are wholly insured, and so any movement in the value of liabilities would be offset by the movement in the value of assets.

18. Supplemental and Executive Retirement Plan

Supplemental and Executive Retirement Plan ("SERP" and "ERP") exist in the United States that provide benefits to certain employees whose compensation exceeds the maximum amount that could be considered for benefits under the qualified Profit Sharing and 401(k) Plan. Participants received a discretionary contribution from the firm equal to a percentage of their compensation. New contributions to the SERP and ERP were discontinued effective January 1, 2003. Contributions vest in the employee's account ratably over a five-year period beginning on their date of hire. The participant's account is invested in one or more predetermined hypothetical investment funds selected by the participant. The participant's account is increased or decreased for the investment experience of the investment options and is marked to market through the statement of comprehensive income of the Group. Upon termination of employment, the individual is entitled to receive a lump sum cash payment equal to the vested balance of the credits in their account, unless the participant previously made an irrevocable election to receive the account balance in three annual installments. The participants of these plans are general unsecured creditors with respect to the benefits under the plans. The value of the liability as of December 31, 2023 is \$8.6 million (2022: \$7.6 million) and is included in other long-term employee liabilities on the statement of financial position which represents financial liabilities at fair value through the profit or loss. The fair value of the liability is determined using aggregate mutual fund prices provided by a third-party financial intermediary. The gains and losses are all attributable to changes in market conditions and there is no difference between the financial liability's carrying amount and the amount the entity would be contractually required to pay at maturity to the holder of the obligation. The increase in the plan obligation arising from the investment decisions of the participants was \$1.3 million (2022: \$1.4 million decrease) and is disclosed as part of the operating expenses.

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The Group used to maintain a rabbi trust to fund the benefits under SERP and ERP plan. The assets of the rabbi trust were not protected from the Group's creditors in the event of an insolvency or bankruptcy. The assets in the rabbi trust were invested in a similar manner as the individual participant accounts and reallocated periodically in proportion to participants' elections. However effective as of January 18, 2018, all assets in the rabbi trust held under SERP and ERP plan were disbursed.

Effective January 1, 2005, the Group implemented a new Executive Deferral Plan ("EDP") in the United States that provides benefits to certain employees whose compensation exceeds the maximum amount that could be considered for benefits under the qualified Profit Sharing and 401(k) Plan. Participants can defer a portion of their compensation and may receive a discretionary contribution from the firm equal to a percentage of their compensation. The individual is 100% vested in the employee's deferral contributions and would vest ratably over a five-year period, beginning on their date of hire, related to employer contributions. The participant's account is invested in one or more predetermined investment funds selected by the participant. The participant's account is increased or decreased for the investment experience of the investment options and is marked to market through the statement of comprehensive income of the Group. Upon termination of employment, the individual is entitled to receive a lump sum cash payment equal to the vested balance of the credits in their account unless the participant previously made an irrevocable election to receive the account balance in three annual installments. The participants of these plans are general unsecured creditors with respect to the benefits under the plans.

The Group maintains a rabbi trust that contains the assets contributed to the EDP. The value of the assets in the rabbi trust as of December 31, 2023 is \$73.8 million (2022: \$53.7 million) and is included in other non-current assets on the statement of financial position. The assets of the rabbi trust are maintained by the Group and are not protected from the Group's creditors in the event of an insolvency or bankruptcy. The assets in the rabbi trust are invested in the same manner as the individual participant accounts and are reallocated periodically in proportion to participants' elections. The assets are marked to market through the statement of comprehensive income of the Group. The investment gain on the plan assets was \$10.9 million (2022: \$9.7 million loss) and is disclosed as part of the finance expense.

The liability associated with maintaining the EDP as of December 31, 2023 is \$73.8 million (2022: \$53.7 million) and is included in other long-term employee liabilities on the statement of financial position which represents financial liabilities at fair value. The gains and losses are all attributable to changes in market conditions of the assets in the rabbi trust, which represent the financial liability's carrying amount and the amount the Group would be contractually required to pay the plan participants. The increase in the liability arising from the investment decisions of the participants was \$10.9 million (2022: \$9.7 million decrease) and is disclosed as part of operating expenses.

The financial liabilities related to the EDP have been excluded from the maturity table in Note 12 because the maturity cannot be reliably estimated as the timing of payment is not in the Group's control.

19. Equity

The authorized share capital of the Company consists of one ordinary share, par value £1 (the Founder Share), and a total of 4,749,360 voting redeemable ordinary shares, par value \$0.0001 (Class A shares), non-voting redeemable ordinary shares, par value \$0.0001 (Class B shares) and voting redeemable ordinary shares, par value \$0.0001 (Class C Shares).

As of December 31 2023, the Company has issued and outstanding: the one Founder Share, 1,427,951 Class A Shares (2022: 1,365,245) and 5,330 Class B Shares (2022: 4,300). There are no Class C Shares issued and outstanding (2022: nil).

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The Group has transferred the one Founder Share to a trust for the benefit of the current Managing Partner of A.T. Kearney Holdings Limited. The holder of the Founder Share is not entitled to receive dividends, participate in any surplus related to the distribution of assets of the Group, or vote at any general meeting of the Group.

The holders of Class A shares are Partners or former Partners of the Group. Partners are entitled to one vote on matters to be voted on by shareholders regardless of the number of Class A shares held. Former Partners are not entitled to vote and, in certain circumstances, are subject to other curtailments of rights once active employment with the Group ceases. Class A shares are entitled to dividends and other distributions when and if declared by a resolution of shareholders of the Group but not to exceed the amount recommended by the board of directors. The holders of the Class B shares have the same rights and privileges as the Class A shares except they are non-voting.

During the year ended December 31, 2022, the Company's shareholders voted to amend the Company's Articles of Association which among other changes removed the mandatory requirement for the Company to redeem shares upon termination of employment (including by death or disability). In its place, the Company adopted language providing it with the right, but not the contractual obligation, to determine at its sole discretion, whether to purchase shares back from the shareholder in the event of termination of employment. If the Company exercises the right, the departing employee is required to sell their shares to the Company. If the Company does not trigger the right, then the departing employee is required to continue to hold the Company's shares until such right is exercised. This amendment was approved by shareholder special resolution on May 12, 2022. In accordance with IFRS, this amendment resulted in the associated financial liability being derecognized and the shares being reclassified as equity. As a result of this transaction, no gain or loss was recorded; this is identified as a key judgment in Note 25.

The amendment to the Company's Articles of Association also established new share classes. Existing Class A shares and Class B shares were redesignated as Class A1 shares and Class B1 shares respectively and new share classes, Class A2 and Class B2 shares, were introduced. Class A Shares are together Class A1 Shares and Class A2 Shares and Class B shares are together the Class B1 Shares and Class B2 Shares.

As of December 31, 2023, all shares are fully paid except for 327 partly paid Class A1 Shares and 327 partly paid Class A2 Shares.

An analysis of the derecognition of the redeemable shares as financial liabilities is shown in the table below:

	Total Outstanding	Held by the Trust	Total Outstanding, Net
	Class A1 and B1	Class A1 and B1	Class A1 and B1
Balance at December 31, 2021	\$ 396.4	\$ (63.7)	\$ 332.7
Issue of shares	4.6	-	4.6
Purchase of shares by the trust	-	(15.6)	(15.6)
Fair value adjustment	3.3	(2.3)	1.0
Balance at May 12 2022, before derecognition of liability	\$ 404.3	\$ (81.6)	\$ 322.7
Derecognize prior year's fair value adjustment	(269.8)	39.8	(230.0)
Derecognize current year's fair value adjustment	(3.3)	2.3	(1.0)
Recognize equity	(131.2)	39.5	(91.7)
Balance at May 12 2022, after derecognition of liability	\$ -	\$ -	\$ -

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From the date of the amendment, the redeemable shares are classified and reported as equity on the balance sheet as shown in the table below:

	Share Capital	Share Premium	Shares held by the Trust	Other Reserve - the Trust	Total
Balance at December 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -
Equity accounting transition	-	131.2	(39.5)	-	91.7
Balance at May 12 2022, after recognition of equity	\$ -	\$ 131.2	\$ (39.5)	\$ -	\$ 91.7
Share-based payments (Note 21)	-	-	0.3	(0.3)	-
Issue of shares	-	11.3	(11.0)	-	0.3
Sale of shares by the trust	-	-	34.4	22.5	56.9
Purchase of shares by the trust	-	-	(8.1)	-	(8.1)
Balance at December 31, 2022	\$ -	\$ 142.5	\$ (23.9)	\$ 22.2	\$ 140.8
Share-based payments (Note 21)	-	-	1.3	(1.3)	-
Issue of shares	-	4.1	(3.7)	-	0.4
Sale of shares by the trust	-	-	26.3	18.5	44.8
Purchase of shares by the trust	-	-	(10.5)	-	(10.5)
Balance at December 31, 2023	\$ -	\$ 146.6	\$ (10.5)	\$ 39.4	\$ 175.5

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	Total Issued Shares				Held by the Trust				Total Issued Shares, net of the Trust			
	Class A1 Shares	Class A2 Shares	Class B1 Shares	Class B2 Shares	Class A1 Shares	Class A2 Shares	Class B1 Shares	Class B2 Shares	Class A1 Shares	Class A2 Shares	Class B1 Shares	Class B2 Shares
Balance at December 31, 2021	734,878	-	4,300	-	(114,154)	-	(3,400)	-	620,724	-	900	-
Issue of shares	10,182	-	-	-	-	-	-	-	10,182	-	-	-
Purchase of shares by the trust	-	-	-	-	(32,935)	-	(100)	-	(32,935)	-	(100)	-
Balance at May 12 2022	745,060	-	4,300	-	(147,089)	-	(3,500)	-	597,971	-	800	-
Share-based payments (Note 21)	2,607	2,607	-	-	924	-	-	-	3,531	2,607	-	-
Issue of shares	360	614,611	-	-	-	(612,616)	-	-	360	1,995	-	-
Sale of shares by the trust	-	-	-	-	85,490	586,974	-	-	85,490	586,974	-	-
Purchase of shares by the trust	-	-	-	-	(15,636)	-	(100)	-	(15,636)	-	(100)	-
Balance at December 31, 2022	748,027	617,218	4,300	-	(76,311)	(25,642)	(3,600)	-	671,716	591,576	700	-
Share-based payments (Note 21)	41	41	-	-	3,286	3,286	-	-	3,327	3,327	-	-
Issue of shares	363	62,261	515	515	-	(61,898)	-	-	363	363	515	515
Sale of shares by the trust	-	-	-	-	64,263	81,538	-	-	64,263	81,538	-	-
Purchase of shares by the trust	-	-	-	-	(19,796)	-	-	-	(19,796)	-	-	-
Balance at December 31, 2023	748,431	679,520	4,815	515	(28,558)	(2,716)	(3,600)	-	719,873	676,804	1,215	515

The Group may at any time offer to redeem shares held by any shareholder on such terms as the board of directors may determine provided that such offer is made available to all holders of redeemable ordinary shares. The Company may selectively redeem any of the shares held by any shareholder who, at the time of the redemption, is still providing services to A.T. Kearney. Shareholders do not have the right to require the Group to redeem any of the shares. The shares are subject to substantial contractual restrictions on transferability.

The share price for Class A1 and B1 (collectively known as Class 1) shares is determined as follows. In connection with the approval by the directors of the Company's audited consolidated accounts, the board shall determine the Class 1 share price that will apply for the then current calendar year which shall be conclusive and binding on all shareholders. The Class 1 share price shall:

- be determined by reference to the book value per share as reflected in the audited consolidated financial statements of the Group;
- be determined on a consistent basis with that applied in determining the book value for previous years; and
- exclude the any nominal value and share premium related to the Class A2 and B2 (collectively known as Class 2) shares.

The share price for the Class 2 shares is intended to capture the long-term value of the Company (incremental to its book value) in accordance with the formulas and procedures set forth in the Company's Articles of Association. The initial Class 2 share price was determined to be \$18 per share. This share price was established based on an independent third-party valuation.

The board of directors applied the foregoing principles to agree Class 1 share price at December 31, 2023 of \$727 per share (2022: \$638 per share) and a Class 2 share price at December 31, 2023 of \$123 per share (2022: \$61 per share).

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20. Other Reserves

The Other Reserve relates to share transactions by the employee share trust for consideration other than at the carrying value of shares held. Share purchases by the employee share trust are recorded at cost. On sale or transfer of shares by the employee share trust any consideration in excess of the carrying value of shares held is recognized as an increase in Other Reserve and any consideration less under the carrying value of shares held is recognized as a decrease in Other Reserve.

On July 11, 2023, upon completion of the Group's acquisition of 70% of the interest in Silicon Foundry (the "seller"), the Group and the seller, concurrently executed a Put/Call Option Agreement ("the Put/Call Agreement") over the purchase and sale of the remaining 30% equity interest. In the Put/Call Agreement, the seller has the right to sell the remaining 30% interest to the Group and the Group has the right to purchase the remaining 30% within the exercise period beginning on the third anniversary of the closing date for the fair market value on the date at which such Put/Call is exercised. At December 31, 2023, in accordance with IAS 32, the Group reported the initial balance relating to the Put/Call Agreement in Other Reserves and as an obligation under non-current liabilities in the consolidated statement of financial position. Subsequent changes in fair value of the Put/Call Agreement obligation will be adjusted through profit and loss in accordance with IFRS 9.

Other Reserves at the reporting date was as follows:

	2023	2022
Gain on sale of shares by employee share trust	\$ 39.4	\$ 22.2
Noncontrolling interest	2.4	-
Put/Call option agreement on noncontrolling interest	(2.4)	-
Other Reserves	\$ 39.4	\$ 22.2

21. Share-Based Payments

The Company operates various share-based payment programs to provide incentives for certain of its employees. These programs grant restricted units pursuant to a restricted unit agreement. The restricted unit agreement provides that each restricted unit will vest and will be settled by the issuance of shares in exchange upon the satisfaction of vesting requirements. The fair value of grants awarded is determined to be at the share price prevailing at time of grant, in accordance with the Company's Articles of Association (see Note 19).

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As of December 31, 2023, the Company maintained the following share-based payment programs:

	MC Program	AP Program	Partner Catch-Up Program	MS/SpX Program
	Number of units	Number of units	Number of units	Number of units
Balance at December 31, 2021	-	13,104	-	-
Granted	124,895	6,750	8,103	-
Forfeited/voided	(1,165)	(2,485)	(777)	-
Vested	-	(4,237)	-	-
Balance at December 31, 2022	123,730	13,132	7,326	-
Granted	51,912	90	-	3,379
Forfeited/voided	(35,285)	(1,458)	(444)	-
Vested	-	(5,698)	-	-
Balance at December 31, 2023	140,357	6,066	6,882	3,379

The MC program provides a restricted unit grant to certain consultant ranks. Each restricted unit represents the right to receive one redeemable ordinary Class A1 share and one redeemable ordinary Class A2 share subject to the terms and conditions of the restricted unit agreement. The vesting requirements for the MC program include election to Partner, the purchase of shares sufficient to meet minimum equity ownership criteria and the continuation of employment over the agreed vesting period. These conditions result in a term that is expected to range from five to twelve years. Any unvested restricted units expire upon the earlier of the termination of the holder's employment with the Group or at the fifteenth anniversary of the grant date as specified in the restricted unit agreement. The awards are primarily equity settled with the exception of certain jurisdictions which are designated as cash settled plans.

The AP program provided a one-time grant of restricted units to certain employees promoted to the rank of Associate Partner Jan 2021 to July 2022 and is now closed to further awards. Each restricted unit represents the right to receive one redeemable ordinary Class A1 share and one redeemable ordinary Class A2 share subject to the terms and conditions of the restricted unit agreement. The vesting requirements for the AP program are election to Partner and the purchase of shares sufficient to meet the minimum equity ownership criteria. These conditions result in a term that is expected to range from one to three years. Any unvested restricted units expire upon the earlier of the termination of the holder's employment with the Group or at the third anniversary of the grant date as specified in the restricted unit agreement. The awards are primarily equity settled with the exception of certain jurisdictions which are designated as cash settled plans.

The Partner Catch-Up program provided a one-time grant of restricted units to certain Partners and is now closed to further awards. Each restricted unit represents the right to receive one redeemable ordinary Class A1 share and one redeemable ordinary Class A2 share subject to the terms and conditions of the restricted unit agreement. The vesting requirement for the Partner Catch-Up program is the continuation of employment until the fourth anniversary of the grant date, April 26, 2026. The awards are primarily equity settled with the exception of certain jurisdictions which are designated as cash settled plans.

The MS/SpX program provides a restricted unit grant to certain management services and specialist ranks. Each restricted unit represents the right to receive one redeemable ordinary Class B1 share and one redeemable ordinary Class B2 share subject to the terms and conditions of the restricted unit agreement. The vesting requirement for the MS/SpX program is the continuation of employment over the agreed vesting period. These conditions result in a term

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that is expected to range from five to eight years. Any unvested restricted units expire upon the earlier of the termination of the holder's employment with the Group or at the tenth anniversary of the grant date as specified in the restricted unit agreement. The awards are primarily equity settled with the exception of certain jurisdictions which are designated as cash settled plans.

Further share grants of 436 redeemable ordinary Class A1 shares (2022: 1,615) and 436 redeemable ordinary Class A2 shares (2022: 691) were made to certain Partners upon acceptance of employment in 2023.

The Group recognized expense associated with these share-based payment awards of \$5.8 million in 2023 (2022: \$3.8 million). As of December 31, 2023, share-based payment awards recognized in equity was \$7.7 million (2022: 3.3 million), and as a liability in trade and other payables \$1.3 million (2022: \$2.1 million).

22. Contingent Liabilities

The Group could be exposed to contingent liabilities in respect of legal claims arising in the ordinary course of business. The probability of any material losses arising from those contingencies is considered remote; therefore, no provision has been recorded or contingent liability disclosed in relation to these claims.

23. Related Party Transactions

Transactions between the Group companies are considered related parties and have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Company and its subsidiaries are disclosed in the Company's separate financial statements.

Remuneration of Key Management Personnel

Aggregate compensation for key management, being the directors and certain members of the Operating Committee were as follows:

	2023	2022
Short-term employee benefits	\$ 29.6	\$ 31.3
Post-employment benefits	0.7	0.9
	<u>\$ 30.3</u>	<u>\$ 32.2</u>

Final performance remuneration obligations to key management personnel are not paid until after the financial statements are completed. Included in the total above is estimated performance-related remuneration due to the key management personnel in respect of the period totaling \$21.8 million (2022: \$23.7 million).

At the statement of financial position date, the Company had liabilities of \$2.2 million (2022: \$3.6 million) due to key management personnel in accordance with the terms of two U.S. retirement plans. The amounts are included within non-current liabilities as part of the long-term employee benefits.

During the year, the Company sold 2,495 Class A1 shares for a value of \$1.6 million (2022: 7,098 shares for a value of \$3.8 million) and 2,495 Class A2 shares for a value of \$0.2 million (2022: 62,290 shares for a value of \$1.1 million) to key management personnel.

The key management personnel benefited from qualifying third-party indemnity provisions during the period, and such indemnity provisions are still in place at the date of this report. Qualifying third-party indemnity provisions were also provided to key management personnel during the period where they were directors of subsidiary companies and such indemnity provisions remain in place at the date of this report.

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24. Subsidiaries

Details of the Group's subsidiaries, all wholly owned except where indicated at December 31, 2023 are as follows:

Name of Subsidiary (*Indicates Direct Holding)	Registered Address	Principal Activity
A.T. Kearney, Inc.	Corporation Service Company, Inc., 251 Little Falls Drive, Wilmington, DE 19808	Management consulting
A.T. Kearney Ltd.*	77 King St. West, TD North Tower, Suite 3610, P.O. Box 102, Toronto, ON, Canada M5K 1G8	Management consulting
ATK U.S., Inc.	227 West Monroe Street, Chicago, IL 60606, USA	Holding Company
A.T. Kearney, S.A. de C.V.*	Av. Paseo de la Reforma 483, Piso 46 Cuauhtémoc 06500, Ciudad de México	Management consulting
A.T. Kearney Consultoria de Gestão Empresarial Ltda	Av. Presidente Juscelino, Kubitschek, 1455 - 12th Floor, Sao Paulo, Brazil	Management consulting
A.T. Kearney Public Sector and Defense Services, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Management consulting
A.T. Kearney Italia, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Management consulting
A.T. Kearney Consultoria Estratégica Ltda	Av. Presidente Juscelino, Kubitschek, 1455 - 12th Floor, Sao Paulo, Brazil	Management consulting
A.T. Kearney, SAS	Cra 7 # 73-55 Piso 14, 100221 Bogota, Colombia	Management consulting
Cervello, Inc.	155 Seaport Blvd. Floor 2, Boston, MA 02210	Management consulting
Hoptek Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	Management consulting
TEAMS Design USA, Inc.	1812 W. Hubbard St. Chicago, IL 60622	Industrial Design Firm
A.T. Kearney K.K.*	Midtown Tower 23F, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6223, Japan	Management consulting
A.T. Kearney Pte. Ltd.	One Temasek Avenue, #32-01 Millenia Tower, Singapore 039192, Singapore	Management consulting
A.T. Kearney, Inc.	Menara Maxis KLCC, 32nd Floor, 50088, Kuala Lumpur, Malaysia	Management consulting
A.T. Kearney Australia Pty Ltd*	Level 5, MCA Bldg. 140 George Street, The Rocks NSW 2000, Australia	Management consulting

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A.T. Kearney New Zealand Limited*	Level 14 - Cigna House, 40 Mercer Street, Wellington, New Zealand	Management consulting
A.T. Kearney (Thailand) Limited	19th Floor Capital Tower, All Seasons Place, 87/1 Wireless Road, Lumpini, Pathumwan, Bangkok, 10330, Thailand	Management consulting
A.T. Kearney (Hong Kong) LTD.	Room 1115, Lippo Centre Tower Two, 89 Queensway, Hong Kong	Management consulting
A.T. Kearney (Shanghai) Management Consulting Co Ltd	34th Floor, Jin Mao Tower, 88 Century Avenue, Pudong New Area, Shanghai, Shanghai 200121, China	Management consulting
PT Kearney*	Capital Place, 48th Floor, Unit B, Jl. Jend. Gatot Subroto Kav. 18, Jakarta Selatan 12710, Indonesia	Management consulting
A.T. Kearney Consulting (India) Private Limited	19th Floor, Tower C, Building 10, DLF Cyber City, Phase-II, Gurugram, Haryana 122002, India	Management consulting
A.T. Kearney India Private Limited	Global Business Park, 6th Floor, Tower D, Gurugram - 122002, Haryana, India	Shared Service Center
Cervello India Private Limited	#425, 4th C Main, OMBR Layout, Banaswadi, Bangalore KA	Management consulting
A.T. Kearney Limited	Global Business Park, 7th Floor, Tower D, Gurugram - 122002, Haryana, India	Management consulting
A.T. Kearney Philippines, Inc.	Unit 815, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Brgy. Bel-Air, City of Makati, Fourth District, National Capital Region 1209 [SEE NOTES]	Management consulting
TEAMS Design Consulting (Shanghai) Ltd.	735 Liyang Road, Office 5301, 200080 Shanghai, China	Industrial Design Firm
A.T. Kearney Holdings Limited	Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom	Holding Company
ATK Finance Limited*	Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom	Finance Company
A.T. Kearney Holdings Germany GmbH	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Holding Company
A.T. Kearney S.A.-N.V.*	Boulevard du Regent 43-44, Regentlaan, 1000 Brussels, Belgium	Management consulting
A.T. Kearney B.V.*	Ijdok 21, 1013 mm Amsterdam, P.O. Box 22926, 1100 DK Amsterdam, The Netherlands	Management consulting
A.T. Kearney GmbH	Köer utca 2/a 1103, Budapest, Hungary	Management consulting
A.T. Kearney Holdings Beteiligungsgesellschaft mbH	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Holding Company
A.T. Kearney GmbH - organizační složka	Na Příkopě 859/22, 110 00, Prague, Czech Republic	Management consulting

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A.T. Kearney Sp. z o.o.	Krolewska 18, 00103 Warsaw, Poland	Management consulting
A.T. Kearney GmbH	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Management consulting
A.T. Kearney Italia, Inc. *	Via Borghetto, 6, 20122 Milano, Italy	Management consulting
A.T. Kearney Limited*	Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom	Management consulting
A.T. Kearney AB	Biblioteksgatan 11, Box 1751, S-111 87 Stockholm, Sweden	Management consulting
A.T. Kearney P/S	Sankt Annae Plads 13, 1250 Copenhagen K, Denmark	Management consulting
A.T. Kearney S.A.S.*	2 rue des Italien 75009 Paris, France	Management consulting
A.T. Kearney AS*	Henrik Ibsens Gate 100 N-0255 Oslo Norway	Management consulting
A.T. Kearney (Portugal) Consultadoria de Gestao Lda	Edificio Heron Castilho, Rua Braamcamp n°40 - 10°, 1250-050 Lisbon, Portugal	Management consulting
A.T. Kearney S.A.*	Paseo de la Castellana, 31, 28046 Madrid, Spain	Management consulting
A.T. Kearney Oy*	Mannerheimintie 12 B 5th Floor, 00100 Helsinki, Finland	Management consulting
A.T. Kearney (International) AG*	Weberstrasse 4, 8004 Zurich, Switzerland	Management consulting
A.T. Kearney Monoprosopi Epe*	Avramopoulos & Partners Law Firm, 70 Panormou Street, 11523 Athens, Greece	Management consulting
A.T. Kearney Management Consulting SRL	Magheru One Building 1-3, Gh. Magheru Street, 5th Floor Bucharest, Romania	Management consulting
LLC "A.T. Kearney"	Yaroslaviv Val str, 23-A, 2nd floor, 01054, Kiev, Ukraine	Management consulting
A.T. Kearney Svetovanje d.o.o.*	Dunajska cesta 151, 1000 Ljubljana, Slovenia	Management consulting
A.T. Kearney Ges.m.b.H.	Tuchlauben 7 / 5. Stock / Top 8 1010 Wien, Austria	Management consulting
A.T. Kearney IMProve Holding GmbH	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Management consulting
IMP³rove - European Innovation Management Academy EWIV	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Management consulting
A.T. Kearney Denmark A/S	Sankt Annae Plads 13, 1250 Copenhagen K, Denmark	Management consulting
A.T. Kearney Restructuring GmbH	Dreischeibenhause 1, 40211 Dusseldorf, Germany	Management consulting
EV8 Technologies Limited	Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom	Management consulting

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Cervello Limited	Acre House, 11/15 William Road, London, United Kingdom, NW1 3ER	Management consulting
Cervello Holding Limited	Acre House, 11/15 William Road, London, United Kingdom, NW1 3ER	Holding Company
Prokura A/S	Store Kongensgade 59A Copenhagen K 1264 Denmark	Management consulting
Prokura Management Consulting ApS*	Store Kongensgade 59A Copenhagen K 1264 Denmark	Management consulting
Prokura GmbH	Sendlinger Str. 8 80331 Munchen, Germany	Management consulting
Prokura AS	Tullins gate 6 0166 Oslo Norway	Management consulting
Prokura Limited	Adelphi, 1-11 John Adam Street, London, WC2N 6HT, United Kingdom	Management consulting
Prokura Management Consulting Sweden AB	Biblioteksgatan 11, 111 87 STOCKHOLM, Sweden	Management consulting
BinaryCore GmbH	Sendlinger Str. 8 80331 Munchen, Germany	Management consulting
Optano GmbH	Technologiepark 18, 33100 Paderborn, Germany	Management consulting
A.T. Kearney Management Consulting S.R.L. - podružnica Zagreb	Trg J.F. Kennedy 6b, P.O. Box 10000, Zagreb, Croatia	Management consulting
TEAMS Design GmbH	Kollwitzstraße 1, 73728 Esslingen, Germany	Industrial Design Firm
TEAMS Design Hamburg GmbH	Gertigstraße 10a, 22303 Hamburg, Germany	Industrial Design Firm
A.T. Kearney S.A.S. (Abu Dhabi Branch)	Ras Al Akhdar, Etihad Towers, Tower 3, 16th Floor, 29060, Abu Dhabi, United Arab Emirates	Management consulting
A.T. Kearney Yönetim Danışmanlık A.Ş.*	Buyukdere Cad. No. 193, 193 Plaza, Kat:2, Levent, 34394 Istanbul, Turkey	Management consulting
A.T. Kearney Saudi Limited*	Al Faisaliah Tower, 27th Floor, King Fahad Road, Olaya District. Riyadh Kingdom of Saudi Arabia	Management consulting
A.T. Kearney (Proprietary) Limited*	1st Floor, Building 5, Commerce Square, 39 Rivonia Road, Sandton 2196, P.O. Box 653515, Benmore, Johannesburg, South Africa	Management consulting
A.T. Kearney LLC*	Al Fardan Office Tower, 25th Floor, Office 2, 61 Al Funduq Street, West Bay, Doha, Qatar	Management consulting

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A.T. Kearney Middle East Ltd.*	Level 13, Unit C1301, Burj Daman, DIFC, P.O. Box 126299, Dubai, United Arab Emirates	Management consulting
A.T. Kearney (Nigeria) Limited*	KPMG Tower, Bishop Aboyade Cole Street, Victoria Island, Lagos, Nigeria	Management consulting
A.T. Kearney Middle East Ltd	Al Jumiya Street, Shatti Al Qurum 395, Muscat, Sultanate of Oman	Management consulting
A.T. Kearney B.V.	Adembra Road East, HNO. 8, Accra, Ghana	Management consulting
A.T. Kearney (Kenya) Limited*	LR. No. 209/6921, Riverside Park, Chiromo Road, Westlands P.O. Box 10643-00100, Nairobi, Kenya	Management consulting
A.T. Kearney Lebanon	Ashrafieh 5585 Building Pierre Gemayel Avenue P.O. Box: 16 6742 Ashrafieh Beirut 2066 7113 Lebanon	Management consulting
A.T. Kearney Regional Headquarters, LLC	7277 King Fahad Road, 3333 Olaya District, 12212 Riyadh, Kingdom of Saudi Arabia.	Management Consulting

The following subsidiaries are exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act:

Registered No
13963685

Subsidiary
Prokura Limited

25. Accounting Estimates and Judgments

Defined benefit plans

The net defined benefit asset (liability) of the Group's pension schemes at December 31, 2023 of \$(27.6) million (2022: \$(29.4) million) is based on certain financial assumptions such as market conditions at the statement of financial position date including yields in high quality corporate bonds and implied rates of inflation in each jurisdiction. The demographic assumptions are set by reference to the plan's membership profile and the latest available research in areas such as mortality in each jurisdiction which is considered to be a crucial accounting estimate. To the extent that the estimates of mortality are revised from time to time as more up-to-date research becomes available, this will impact the surplus or deficit in the defined benefit plans and the related profit for subsequent periods.

Historically, the Group has understood that it has discretion over the distribution of any surplus in the German plan. However, there has been practice of paying employees a share of any surplus available, which has become more significant as the plan matures. Significant judgment exists in assessing at what point this practice became a material constructive obligation, but based on the pattern of past practice, the Group concluded it was reasonable to form a judgment that this occurred in the year ended December 31, 2021. This change to the judgment formed related to benefits accrued in the past, and as a result meant that the German entity recognized a one-time pension plan amendment as a past service cost in the year ended December 31, 2021. Since the practice of paying employees a share of surplus continued in 2022, the Group's judgment in 2022 remained consistent with 2021 and service cost was recorded accordingly. Since the practice of paying employees a share of surplus continued in 2023, the Group's

A.T. KEARNEY HOLDINGS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements and accompanying Notes, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share

judgment in 2023 remained consistent with 2022 and service cost was recorded accordingly. See Note 17 for more information.

Share-based payments

During the year ended December 31, 2023, the Group recognized \$5.8 million (2022 \$3.8 million) of share-based payment expense. The Group evaluated the transfer restriction and redemption mechanism itself and determined that they are independent of the share-based payment arrangement such that they constitute a shareholder related condition. This is a key judgment, and as a result, it was determined that the scheme falls under equity settled rather than cash settlement share based payments in accordance with IFRS 2. See Note 21 for more information.

Recognition of deferred tax assets

As of December 31, 2023, the Group had \$143.0 million (2022: \$127.5 million) of net deferred tax assets on its consolidated statement of financial position. Since there is no absolute assurance that these assets will be ultimately realized, significant judgment is required in determining the value of the deferred tax assets. In assessing the value of the deferred tax assets, management considers all available evidence including past operating results and estimates of future taxable income. In the event that the Group changes its determination as to the amount of the deferred tax assets that can be realized, the Group will adjust the asset with the corresponding impact to income tax expense in the period in which such determination is made. Since changes in estimates can materially affect profit for the period, management believes the accounting estimate related to deferred tax assets is a critical accounting estimate.

Goodwill

The carrying value of goodwill of \$32.8 million (2022: \$24.3 million) is subject to annual impairment testing given the present value of projected future cash flows of a cash generating unit, defined as the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. The analysis involves several estimates and assumptions around future cash flows and applicable discount rates. A change in these estimates could impact the carrying value and related impairment loss, if applicable, recognized during the period. In the years ended December 31, 2023 and 2022, there was \$nil loss on impairment of goodwill. See Note 8 for more information.

Equity accounting transition

During the year ended December 31, 2022, the Company's shareholders voted to amend the Company's Articles of Association which among other changes removed the mandatory requirement for the Company to redeem shares upon termination of employment (including by death or disability). In making such decision, the Group determined that the shareholders were acting in their capacity as shareholders rather than employees, and as such entered into this transaction as part of a wider restructuring of the Group's capital. This determination involves judgment which resulted in \$230 million of fair value appreciation from prior years and \$1 million of fair value appreciation from 2022 being applied to increase reserves and not the profit recorded for the year. See Note 19 for more information.

26. Events after the Statement of Financial Position Date

On January 04, 2024, the Company purchased 100% of the issued share capital of Management Solution Experts S.A.L. Offshore – Lebanon ("MSE") for cash consideration of \$9.1 million and \$2.0 million in restricted stock units of the Company as well as consideration contingent on performance-based criteria.

There were no other events between the balance sheet date of December 31, 2023, and the date of the approval of these accounts that are required to be brought to the attention of shareholders.

A.T. KEARNEY HOLDINGS LIMITED FINANCIAL STATEMENTS

(UK Holding Company)

A.T. KEARNEY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

December 31, 2023 and 2022

(In millions of U.S. Dollars)

	Founder Share	Share Capital	Share Premium	Shares held by employee share trust	Other Reserve – employee share trust	Share Based Payment Reserve	Capital Redemption Reserve	Other Reserve	Retained Deficit	Total
Balance at December 31, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2.3	\$ (292.8)	\$ (290.5)
Equity Accounting Transition	-	-	131.2	(39.5)	-	-	-	-	230.0	321.7
Employee share-based compensation	-	-	-	0.3	(0.3)	3.3	-	-	-	3.3
Transactions with owners	-	-	11.3	15.3	22.5	-	-	-	-	49.1
Loss for the year	-	-	-	-	-	-	-	-	(4.9)	(4.9)
Balance at December 31, 2022	\$ -	\$ -	\$ 142.5	\$ (23.9)	\$ 22.2	\$ 3.3	\$ -	\$ 2.3	\$ (67.7)	\$ 78.7
Employee share-based compensation	-	-	-	1.3	(1.3)	4.4	-	-	-	4.4
Transactions with owners	-	-	4.1	12.1	18.5	-	-	-	-	34.7
Profit for the year	-	-	-	-	-	-	-	-	21.3	21.3
Balance at December 31, 2023	\$ -	\$ -	\$ 146.6	\$ (10.5)	\$ 39.4	\$ 7.7	\$ -	\$ 2.3	\$ (46.4)	\$ 139.1

A.T. KEARNEY HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

December 31, 2023 and 2022

(In millions of U.S. Dollars)

	Note	2023	2022
ASSETS			
Non-Current Assets:			
Investments in subsidiaries	2	\$ 114.9	\$ 89.6
Deferred tax assets		0.4	0.2
		<u>\$ 115.3</u>	<u>\$ 89.8</u>
Current Assets:			
Trade receivables and other current assets	3	12.2	8.5
Cash and cash equivalents	4	44.4	24.8
		<u>56.6</u>	<u>33.3</u>
Total Assets		<u>\$ 171.9</u>	<u>\$ 123.1</u>
LIABILITIES			
Current Liabilities:			
Trade and other payables	5	\$ 11.4	\$ 10.8
Notes payable		3.9	15.6
		<u>\$ 15.3</u>	<u>\$ 26.4</u>
Non-Current Liabilities:			
Notes payable		\$ 11.3	\$ 11.5
Other non-current liabilities	13	6.2	6.5
		<u>\$ 17.5</u>	<u>\$ 18.0</u>
Total Liabilities		<u>\$ 32.8</u>	<u>\$ 44.4</u>
NET ASSETS (LIABILITIES)		<u>\$ 139.1</u>	<u>\$ 78.7</u>
RESERVES			
Share capital	6	\$ -	\$ -
Share premium	6	146.6	142.5
Shares held by employee share trust	6	(10.5)	(23.9)
Other reserve – employee share trust	7	39.4	22.2
Share based payment reserve	8	7.7	3.3
Other reserves	9	2.3	2.3
Retained deficit		(46.4)	(67.7)
Total Reserves		<u>\$ 139.1</u>	<u>\$ 78.7</u>

A.T. Kearney Holdings Limited reported a profit for the year of \$21.3 million (2022: \$4.9 million loss). The financial statements were approved by the board of directors and authorized for issue on April 25, 2024. They were signed on its behalf by:


Mauricio Zuazua
 Director

Registered number 05625494

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share amounts

1. Significant Accounting Policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101, *Reduced Disclosure Framework* ("FRS 101") and the requirements of the Companies Act.

Under section s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company has taken advantage of the exemption in Section 408 (4) of that Act, not to present its individual income statement and related Notes that form a part of these approved financial statements. Fees payable to the Group's auditors and their associates for services related to the audit of the Company's financial statements are not required to be disclosed as part of the Company only financial statements because the consolidated financial statements disclose such fees on a consolidated basis. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of A.T. Kearney Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share-Based Payments in respect of group settled share-based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at January 1, 2015 for the purposes of the transition to FRS 101.

Functional and presentation currency

These financial statements are presented in U.S. dollars, which is the functional currency of the Company. All financial information presented in U.S. dollars has been rounded to the nearest \$0.1 million, except for share and per share amounts.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held, together with other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Share-based payment transactions

The Company makes use of various share grants using its redeemable shares in order to provide incentives for certain of the Group's employees. All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. Under the equity-settled method, the fair value of the amount granted to the employee is recognized as an expense with a corresponding increase in equity and is measured at grant date. Under the cash method, the fair value of the amount payable to the employee is recognized as an expense with a corresponding increase in liability and is initially measured at grant date and then subsequently re-measured at each reporting date and at settlement.

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022

All amounts in millions of U.S. dollars except for share and per-share amounts

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share grants expected to vest. Estimates are subsequently revised if there is any indication the number of share grants expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision in estimate is recognized in the current period. Further details can be found in Note 21 of the consolidated financial statements.

Taxation

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the temporary difference relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based upon the laws that have been enacted or substantially enacted at the statement of financial position date. The deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each statement of financial position date and are reduced to the extent that it is no longer probable that the tax benefit will be realized.

Financial instruments

The Company has no financial assets at fair value through profit or loss, or fair value through other comprehensive income. The Company's financial liabilities include trade and other payables measured at amortized cost using the effective interest method. Notes payable are financial liabilities designated at FVTPL, which are carried at fair value with gains or losses recognized in the income statement.

Equity

During the year ended December 31, 2022, the Company's shareholders voted to amend the Company's Articles of Association and remove the stipulation that the shares be mandatorily redeemable. In accordance with IFRS, this amendment resulted in the associated financial liability being derecognized and the shares being reclassified as equity. Further details can be found in Note 19 of the consolidated financial statements.

Investment in Subsidiaries

The Company's investment in the equity shares of the subsidiaries are recorded at cost, including any transaction costs associated with the management buyout less accumulated impairment losses. The Company's basis for determining impairment of its investment in subsidiaries is similar to the impairment policy disclosed in Note 1 of the consolidated financial statements.

Contingent consideration

Elements of purchase consideration contingent on acquired entity meeting performance targets in future periods is recorded as a liability at fair value as of the date of acquisition and remeasured each reporting period with adjustments through profit and loss. See Note 1 of the consolidated financial statements.

Intra-group financial instruments

Where the Company enters into financial contracts to guarantee the indebtedness of other companies within the Group, the Company accounts for these contracts in accordance with IFRS 9.

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share amounts

2. Investment in Subsidiaries

The Company's investments in subsidiaries are comprised of wholly owned equity shares. A full listing of the subsidiaries is disclosed in Note 24 to the consolidated financial statements.

Cost

At December 31, 2021	\$ 139.1
Capital contributions in fellow group undertakings	0.5
Return of capital from fellow group undertakings	-
At December 31, 2022	<u>\$ 139.6</u>

Capital contributions in fellow group undertakings	25.3
Return of capital from fellow group undertakings	-
At December 31, 2023	<u>\$ 164.9</u>

Accumulated Impairment

At December 31, 2022	(50.0)
Impairment losses	-
At December 31, 2023	<u>\$ (50.0)</u>
Carrying amount - December 31, 2023	<u>\$ 114.9</u>
Carrying amount - December 31, 2022	<u>\$ 89.6</u>

Fixed asset investments in subsidiaries, associates and joint ventures are shown at cost less provision for impairment. The Company is the principal holding company of the Group, and the subsidiary undertakings of the Company are set out in Note 24 of the consolidated financial statements. The Company reviews its investments in subsidiaries for indicators of impairment at least annually. A net impairment loss of \$nil million (2022: \$2.0 million) has been recognized in respect of the Company's investments.

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share amounts

3. Trade Receivables and Other Current Assets

Trade receivables and other assets principally comprise amounts receivable from fellow Group companies as detailed below. The carrying amounts of these assets approximate to their fair value.

	2023	2022
A.T. Kearney Inc	\$ 2.2	\$ 1.6
A.T. Kearney (Shanghai) Management Consulting Co. Limited	0.2	0.4
A.T. Kearney Public Sector and Defense Services, LLC	0.2	0.4
A.T. Kearney GmbH	0.8	0.4
A.T. Kearney S.A.S.	0.6	0.3
A.T. Kearney Consulting (India) Private Limited	0.4	0.2
A.T. Kearney K.K.	0.4	0.2
A.T. Kearney Australia Pty Ltd	0.5	0.2
A.T. Kearney Middle East Ltd	0.7	-
A.T. Kearney Saudi Ltd	0.6	-
Other group undertakings	2.8	2.1
Amount owed by group undertakings	9.4	5.8
Prepayments	1.3	1.7
Other debtors	1.5	1.0
	<u>\$ 12.2</u>	<u>\$ 8.5</u>
Current	\$ 12.2	\$ 8.5
Non-current	-	-
	<u>\$ 12.2</u>	<u>\$ 8.5</u>

There are \$ 0.3 million allowances for doubtful debts for the amounts receivable from fellow Group companies (2022: \$0.3 million).

4. Cash and Cash Equivalents

These comprise cash held at bank and investments with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

5. Trade and Other Payables

Trade and other payables principally comprise amounts due to fellow Group companies as described below. The directors consider that the carrying amount of trade and other payables approximates their fair value and are repayable upon demand.

	2023	2022
Amounts owed to group undertakings	\$ 5.5	\$ 4.5
Other payables	5.9	6.3
	<u>\$ 11.4</u>	<u>\$ 10.8</u>

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share amounts

6. Equity

See Note 19 to the consolidated financial statements.

7. Other Reserve – Employee Share Trust

See Note 20 to the consolidated financial statements.

8. Share-Based Payments

See Note 21 to the consolidated financial statements.

9. Other Reserve and Capital Redemption Reserve

The Other Reserve and Capital Redemption Reserve relate to the redemption of shares in excess of the fresh proceeds from fresh issuance. A capital redemption reserve is created representing the nominal value of the shares redeemed and another reserve is created representing the original share premium on the shares redeemed. Both reserves are non-distributable reserves.

10. Events After the Statement of Financial Position Date

See Note 26 to the consolidated financial statements.

11. Related Party Transactions

Transactions with subsidiaries

During the period, charges by the Company to its subsidiaries for payments made on their behalf and for interest charged on inter-company lending totaled \$2.5 million (2022: \$2.2 million). During the period a total of \$0.5 million (2022: \$2.7 million) was charged by subsidiaries to the Company in respect of payments made on behalf of the Company, for services provided to it and for interest charged on inter-company lending.

Transactions with subsidiaries reflect appropriate charges for the cost of such services.

During the period, as part of regular Group funding activities, the Company has lent and borrowed funds to and from subsidiaries. At December 31, 2023, the Company was owed \$9.4 million (2022: \$5.8 million) by its subsidiaries while the balance due to subsidiaries totaled \$5.5 million (2022: \$4.5 million).

12. Parent Company Guarantees

The Company has outstanding guarantees issued as support for several third-party financial commitments of its subsidiaries. These guarantees would be due by the Company in the event of default by the subsidiary. At December 31, 2023, the Company has issued total guarantees of \$31.6 million (2022: \$35.0 million).

13. Other Non-Current Liabilities

Other non-current liabilities are primarily comprised of purchase consideration contingent upon acquired subsidiary meeting various performance targets in future periods. Further details are set out in Note 2 of the Company's financial statements.

14. Employees

The Company had no employees in 2023 and 2022. In 2023, two non-executive directors were engaged by the Company (2022: none). All other directors of the Company are employed by subsidiary companies. Refer to Note 5 of the consolidated financial statements. During 2023, directors' emoluments (compensation related costs) totaled \$0.3M (2022: \$ nil).

A.T. KEARNEY HOLDINGS LIMITED

Notes to Company Financial Statements, December 31, 2023 and 2022
All amounts in millions of U.S. dollars except for share and per-share amounts

15. Accounting Estimates and Judgements

Impairment of investment in subsidiaries

The carrying value of the investment in subsidiaries of \$114.9 million (2022: \$89.6 million) is assessed for indicators of impairment at least annually and a review for impairment is performed if such indicators exist. The analysis may involve several estimates and assumptions around future business performance and cash flows and applicable discount rates. A change in these estimates could impact the carrying value and related impairment loss, if applicable, recognized during the period.