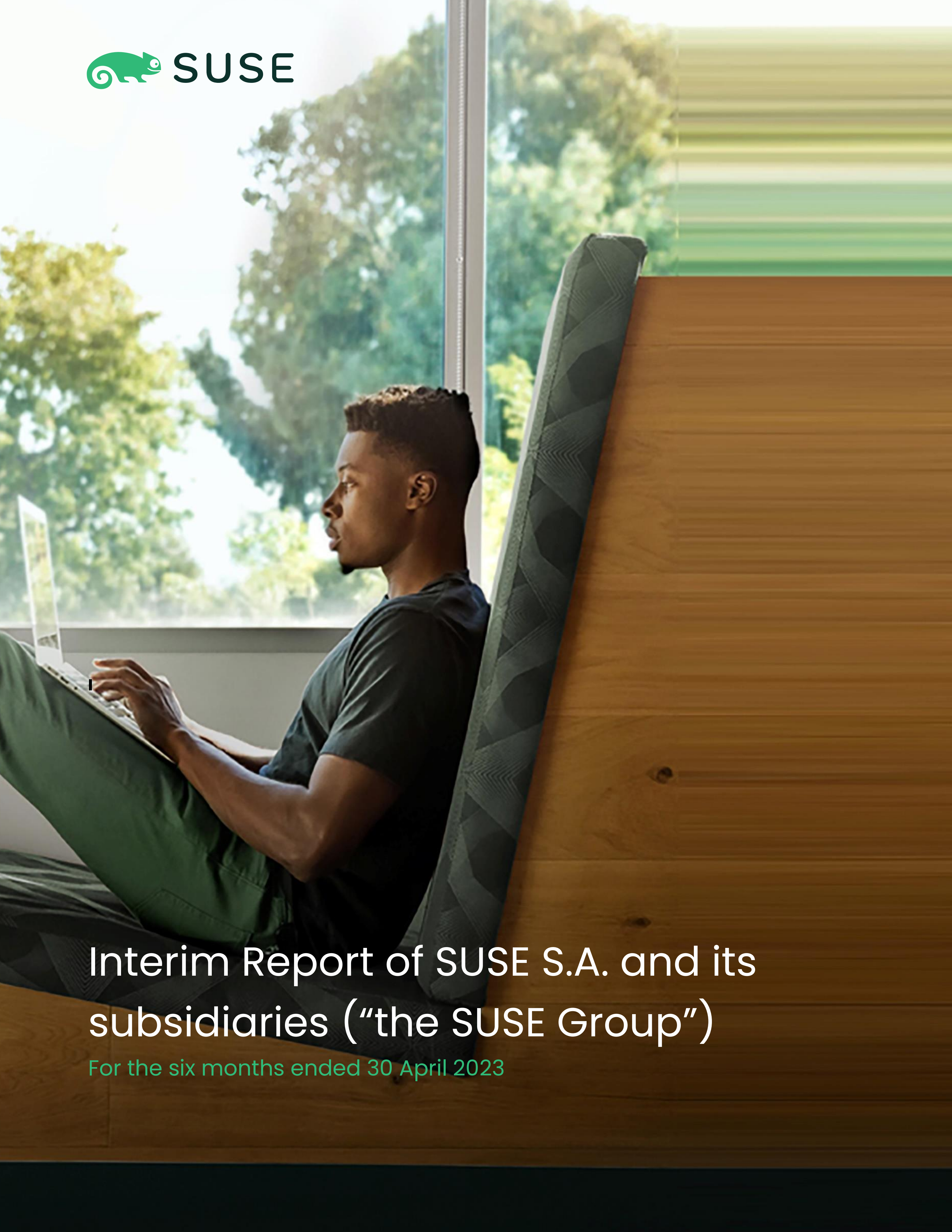
SUSE



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

For the six months ended 30 April 2023

Innovate Everywhere

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Interim Condensed Consolidated Financial Statements and Notes (unaudited)

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

Interim Consolidated Management Report

Introduction

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

Key events

(i) CEO change

On 21 March 2023, SUSE announced that CEO Melissa Di Donato had decided to step down, having led SUSE during its transformation into one of the world's leading enterprise software companies. The Supervisory Board appointed industry veteran Dirk-Peter van Leeuwen as new CEO, effective 1 May 2023. Andy Myers, SUSE's CFO, led the Company as CEO on an interim basis from 21 March 2023 to 1 May 2023.

(ii) Management board change

Following Melissa Di Donato's decision to step down, Andrew McDonald was appointed to the Management Board with immediate effect and on an interim basis to support the orderly transition to Dirk-Peter van Leeuwen. Andrew has been Chief Legal Officer & Company Secretary of the Company since March 2021.

(iii) Supervisory board change

On 31 March 2023, Dr Ariane Reinhart stepped down from the Supervisory Board after serving on the board since the time of the Company's IPO in May 2021. The Supervisory Board appointed Philipp Woerner, an EQT Director, to the Supervisory Board with effect from 31 March 2023 until the Company's next shareholder meeting. This means that EQT's representation on the Supervisory Board is two, returning to the make-up of the Supervisory Board at the time of the Company's IPO.

(iv) Sales re-organization

SUSE's salesforce re-organization, which was completed in the first half of the financial year, did not gain the expected level of traction and this impacted performance. Early in the second half of the financial year, under the new CEO, SUSE therefore implemented a new sales structure to enable closer customer relationships, unlocking sales of SUSE's full portfolio through one single point of contact.

(v) AGM

On 23 March 2023, SUSE held its Annual General Meeting for the financial year which ended on 31 October 2022. All resolutions were adopted, with 89% of issued shares present or represented at the meeting.

Risks and uncertainties

The Group's business model, future performance, solvency, liquidity and reputation are exposed to a variety of risks and uncertainties, including risks related to the Group's business activities and industry and specific legal and regulatory risks. The risks and uncertainties identified are consistent with those disclosed in the last annual financial statements for the year ended 31 October 2022.

Related party transactions

All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation. Further details are included in Note 17.

Outlook

SUSE continues to grow, with high profit margins and cash generation.

However, trading was softer than anticipated in the quarter ended April 30, 2023. The impact of the ongoing economic uncertainty on customers' decision making resulted in further delays to the completion of new contracts and a reduction in average contract lengths. Furthermore, the recent salesforce reorganization did not gain the expected level of traction and impacted performance. Growth in sales through the Cloud route-to-market were also lower than anticipated. These have collectively led to downward pressure on current and expected revenues and cashflow in 2023.

Despite these current headwinds, SUSE's markets continue to grow, and its business model is resilient ensuring it remains well placed to deliver on its long-term potential.

Dirk-Peter van Leeuwen
Member of the Management Board
SUSE S.A.

Jonathan Atack
Member of the Management Board
SUSE S.A.

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

5 July 2023

Responsibility Statement

We, Dirk-Peter van Leeuwen (Chief Executive Officer), Jonathan Atack (Interim Chief Financial Officer), and Andrew McDonald (Chief Legal Officer & Company Secretary), confirm to the best of our knowledge, and in accordance with the applicable reporting principles, the Interim Condensed Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Consolidated Management Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Dirk-Peter van Leeuwen
Member of the Management Board
SUSE S.A.

Jonathan Atack
Member of the Management Board
SUSE S.A.

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

5 July 2023

Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 April 2023

Income statement:	**Notes**	**Six months ended 30 April 2023** Headline US$'000	Separately reported items (Note 8) US$'000	Total US$'000	**Six months ended 30 April 2022** Headline US$'000	Separately reported items (Note 8) US$'000	Total US$'000
Revenue	**7**	**330,314**	**-**	**330,314**	**313,324**	-	**313,324**
Cost of sales		(27,227)	-	(27,227)	(25,368)	-	(25,368)
Gross profit		**303,087**	**-**	**303,087**	**287,956**	**-**	**287,956**
Selling and distribution costs		(89,051)	(6,836)	(95,887)	(90,941)	-	(90,941)
Research and development costs		(61,239)	-	(61,239)	(57,168)	-	(57,168)
Administrative expenses		(64,020)	-	(64,020)	(73,201)	-	(73,201)
Impairment credit on trade receivables		712	-	712	493	-	493
Operating profit before depreciation/impairment and amortization		**89,489**	**(6,836)**	**82,653**	**67,139**	**-**	**67,139**
Amortization of intangible assets	**11**	(68,385)	-	(68,385)	(72,446)	-	(72,446)
Depreciation – Property, plant and equipment		(2,112)	-	(2,112)	(1,874)	-	(1,874)
Depreciation/impairment – Right of use assets		(2,977)	-	(2,977)	(4,190)	-	(4,190)
Operating profit/(loss)		**16,015**	**(6,836)**	**9,179**	**(11,371)**	**-**	**(11,371)**
Finance costs		(29,617)	-	(29,617)	(21,832)	-	(21,832)
Finance income		2,020	-	2,020	195	-	195
Net finance costs		**(27,597)**	**-**	**(27,597)**	**(21,637)**	**-**	**(21,637)**
Share of losses of associate		(1,131)	-	(1,131)	(1,372)	-	(1,372)
Loss before tax		**(12,713)**	**(6,836)**	**(19,549)**	**(34,380)**	**-**	**(34,380)**
Taxation	**9**	(7,641)	1,706	(5,935)	7,926	-	7,926
Loss for the period		**(20,354)**	**(5,130)**	**(25,484)**	**(26,454)**	**-**	**(26,454)**
Attributable to:							
Equity shareholders of the parent		(20,354)	(5,130)	(25,484)	(26,454)	-	(26,454)
Non-controlling interests		-	-	-	-	-	-
Loss for the period		**(20,354)**	**(5,130)**	**(25,484)**	**(26,454)**	**-**	**(26,454)**
Basic loss per share (USD/share)	**10**			**(0.2)**			**(0.2)**
Diluted earnings/ (loss) per share (USD/share)				**n/a**			**n/a**

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

Interim Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 April 2023

		Six months ended 30 April 2023			Six months ended 30 April 2022		
	Notes	Headline US$'000	Separately reported items US$'000	Total US$'000	Headline US$'000	Separately reported items US$'000	Total US$'000
Loss for the period		**(20,354)**	**(5,130)**	**(25,484)**	**(26,454)**	**-**	**(26,454)**
Other comprehensive (loss)/income:							
Items not to be reclassified to income statement:							
Remeasurement of defined benefit pension schemes		68	-	68	2,304	-	2,304
Related tax impact		(8)	-	(8)	(706)	-	(706)
Items that may be reclassified to income statement:							
Currency translation differences		(31,765)	-	(31,765)	36,369	-	36,369
Cash flow hedge – changes in fair value	**15(c)**	(1,695)	-	(1,695)	(49)	-	(49)
Cash flow hedge – reclassified to income statement	**15(c)**	1,485	-	1,485	4,386	-	4,386
Related tax impact		14	-	14	(1,003)	-	(1,003)
Other comprehensive (loss)/income for the period		**(31,901)**	**-**	**(31,901)**	**41,301**	**-**	**41,301**
Total comprehensive (loss)/income for the period		**(52,255)**	**(5,130)**	**(57,385)**	**14,847**	**-**	**14,847**
Attributable to:							
Equity shareholders of the parent		(52,255)	(5,130)	(57,385)	14,847	-	14,847
Non-controlling interests		-	-	-	-	-	-
Total comprehensive (loss)/income for the period		**(52,255)**	**(5,130)**	**(57,385)**	**14,847**	**-**	**14,847**

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

Interim Condensed Consolidated Statement of Financial Position (unaudited)

As at 30 April 2023

	Notes	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Non-current assets			
Goodwill	**11**	2,686,320	2,686,320
Intangible assets	**11**	328,437	393,427
Property, plant and equipment		17,469	13,914
Right of use assets		17,642	18,089
Investment in associate		11,145	12,276
Derivative asset		4,015	4,051
Long-term pension assets		556	484
Other receivables		8,887	8,697
Deferred tax assets	**9**	181,418	178,680
Contract related assets		92,146	78,183
		3,348,035	**3,394,121**
Current assets			
Trade and other receivables		138,656	158,044
Current tax receivables	**9**	3,597	3,597
Cash and cash equivalents		224,329	177,544
Contract related assets		32,271	37,796
		398,853	**376,981**
Total assets		**3,746,888**	**3,771,102**
Current liabilities			
Trade and other payables		89,123	110,490
Borrowings	**12**	3,600	3,600
Lease liabilities		6,847	6,249
Provisions	**13**	1,600	337
Current tax liabilities	**9**	8,038	10,113
Deferred income – contract liabilities	**14**	375,405	351,197
		484,613	**481,986**
Non-current liabilities			
Borrowings	**12**	730,519	695,989
Lease liabilities		13,553	14,431
Provisions	**13**	1,039	1,033
Non-current tax liabilities	**9**	8,083	8,083
Deferred tax liabilities	**9**	100,175	98,831
Retirement benefit obligations		2,242	2,142
Deferred income – contract liabilities	**14**	187,773	215,034
Other payables		4,028	3,861
		1,047,412	**1,039,404**
Total liabilities		**1,532,025**	**1,521,390**
Equity			
Share capital	**16**	16,997	16,936
Share premium	**16**	2,522,917	2,522,978
Retained losses	**16**	(425,672)	(400,262)
Other reserves	**16**	95,018	72,482
Cash flow hedging reserve	**15, 16**	3,841	4,051
Foreign currency translation reserve	**16**	1,762	33,527
Total equity		**2,214,863**	**2,249,712**
Total liabilities and equity		**3,746,888**	**3,771,102**

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

Interim Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 April 2023

	Share capital US$'000	Share premium US$'000	Retained losses US$'000	Other reserve US$'000	Cash flow hedging reserve US$'000	Foreign currency translation reserve US$'000	Total equity US$'000
As at 1 November 2022	**16,936**	**2,522,978**	**(400,262)**	**72,482**	**4,051**	**33,527**	**2,249,712**
Loss for the period	-	-	(25,484)	-	-	-	**(25,484)**
Other comprehensive loss for the period	-	-	74	-	(210)	(31,765)	**(31,901)**
Total comprehensive expense for the period	**-**	**-**	**(25,410)**	**-**	**(210)**	**(31,765)**	**(57,385)**
Transactions recorded in equity:							
Issue of share capital	61	(61)	-	-	-	-	**-**
Equity settled share-based payments	-	-	-	22,536	-	-	**22,536**
Total transactions with owners	**61**	**(61)**	**-**	**22,536**	**-**	**-**	**22,536**
As at 30 April 2023	**16,997**	**2,522,917**	**(425,672)**	**95,018**	**3,841**	**1,762**	**2,214,863**

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

Interim Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 April 2022

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

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

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 April 2023

	Notes	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Loss for the period		**(25,484)**	**(26,454)**
Net finance costs	**12**	27,597	21,637
Taxation	**9**	5,935	(7,926)
Share of losses of associate		1,131	1,372
Operating profit/(loss) for the period		**9,179**	**(11,371)**
Addback:			
Depreciation – Property, plant and equipment		2,112	1,874
Depreciation/impairment – Right of use assets		2,977	4,190
Amortization of intangible assets	**11**	68,385	72,446
Amortization of contract related assets		9,943	6,768
Share-based payments expense		24,016	22,574
Restructuring charges		6,836	-
Foreign exchange movements		(4,731)	9,288
Impairment credit on trade receivables		(712)	(493)
Movements:			
Movements in trade receivables		30,723	(15,108)
Movements in other receivables		(10,813)	(4,543)
Movements in trade payables		(1,076)	(5,207)
Movements in other payables		(16,027)	(41,799)
Movement in other pensions		(606)	(538)
Movements in provisions		(5,566)	(2,021)
Movements in contract related assets		(18,291)	(20,304)
Contract assets - fair value haircut		(90)	(213)
Movements in contract liabilities	**14**	(4,234)	58,089
Contract liabilities - fair value haircut	**7**	1,181	3,168
Cash-settled share-based payments		(1,253)	-
Cash generated from operations		**91,953**	**76,800**
Interest paid		(22,772)	(15,126)
Interest received		2,020	6
Tax paid	**9**	(8,744)	(10,541)
Net cash inflow from operating activities		**62,457**	**51,139**
Cash flow used in investing activities			
Purchase of property, plant and equipment		(5,564)	(4,666)
Purchase and development of intangible assets	**11**	(4,663)	(660)
Acquisition of a business, net of cash		-	(2,545)
Net cash outflow from investing activities		**(10,227)**	**(7,871)**
Net cash inflow before financing activities		**52,230**	**43,268**

Interim Condensed Consolidated Statement of Cash Flows (unaudited)

For the six months ended 30 April 2023

	Notes	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Cash flows used in financing activities			
Repayment of bank borrowings	**12**	(1,800)	(1,800)
Payment of interest rate swap premia	**15**	(1,485)	(4,386)
Lease payments		(4,182)	(2,230)
Net cash outflow from financing activities		**(7,467)**	**(8,416)**
Net increase in cash and cash equivalents		**44,763**	**34,852**
Foreign exchange movements		2,022	(1,760)
Cash and cash equivalents at beginning of period		177,544	61,061
Cash and cash equivalents at end of period		**224,329**	**94,153**

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

1. General information

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

The principal activity of the Group is that of an enterprise software company. The Group is a global leader in innovative, reliable and secure open and interoperable enterprise-grade solutions, specializing in Business-critical Linux, Enterprise Container Management and Edge computing solutions.

The Company together with its wholly owned subsidiaries (the "Group" or the "SUSE Group") collectively represent the operations of SUSE. These Interim Condensed Consolidated Financial Statements of the Group are as at and for the six months ended 30 April 2023. These Interim Condensed Consolidated Financial Statements present the results of the Group as a whole. Details of the financial statements of the Company can be obtained at their registered office and at the Luxembourg Register of Commerce and Companies.

These Interim Condensed Consolidated Financial Statements were authorized for issuance on 5 July 2023.

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

2. Basis of preparation

A. Basis of measurement

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and should be read in conjunction with the Group's last annual Consolidated Financial Statements as at and for the year ended 31 October 2022 ("last annual financial statements"). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS" or "IFRS").

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

B. Going concern

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

(i) Operations

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

(ii) Liquidity

The directors evaluated the Group's funding position, liquidity and financial covenant profile to ensure it had sufficient access to liquidity and covenant headroom for the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing the Group's Interim Condensed Consolidated Financial Statements. As at 30 April 2023, the Group had available liquidity of US$393.6 million (US$224.3 million in cash and US$169.3 million in available headroom on the Revolving Credit Facility). The Group retains sufficient liquidity to support operations and make scheduled interest and capital payments as they become due and is in compliance with all financial covenants as at 30 April 2023 and the date of approval of these Interim Condensed Consolidated Financial Statements.

2. Basis of preparation (continued)

B. Going concern (continued)

(iii) Impairment and overall business review

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

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

C. Functional and presentational currency

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

3. Critical judgements and sources of estimation uncertainty

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

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

A. Carrying value of goodwill

Goodwill has an indefinite life and is subject to impairment testing annually, performed in the final quarter of the financial year, and if indicators of impairment are identified.

As at 30 April 2023, in light of softer than anticipated trading in the quarter and the resultant impact on the financial year to 31 October 2023, Management has revisited the key assumptions used in the annual impairment test as of 30 September 2022. Management has also run sensitivity analysis on the revised base case (consistent with updated guidance), which continues to demonstrate sufficient headroom between the recoverable amount and the carrying value of the Group's long-term assets.

As a result, Management has recognised no impairment in the current period (31 October 2022: $nil).

4. Significant accounting policies

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

5. Financial risk factors

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

6. Segmental analysis

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

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

As the Group comprises a single reporting segment, the results reported in these Interim Condensed Consolidated Financial Statements and accompanying notes relate to this single segment. Further disaggregation of the Group's total revenue is disclosed in Note 7. All segment revenue is derived wholly from external customers and, as the Group has a single reportable segment, inter-segment revenue is zero.

The Group is not dependent on any single customer for its revenue and no single customer in the current or prior periods, accounts for more than 10% of the Group's revenue. The total of non-current assets other than financial instruments and deferred tax assets of the segment is as follows:

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Europe, Middle East and Africa	1,185,412	1,195,775
North America	1,972,133	2,010,328
Asia Pacific and Japan	1,524	1,412
Greater China	3,042	3,337
Latin America	491	538
Sub-total	**3,162,602**	**3,211,390**
Derivative asset	4,015	4,051
Deferred tax assets	181,418	178,680
Total non-current assets	**3,348,035**	**3,394,121**

7. Revenue

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

(a) Analysis of revenue from contracts with customers

	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Recognized over time:		
- Subscription revenue	308,606	291,605
Recognized at a point in time:		
- Subscription revenue	13,278	13,785
- Consulting revenue	8,430	7,934
Total revenue	**330,314**	**313,324**

7. Revenue (continued)

The following table shows the impact of the acquisition accounting adjustment of the contract liability haircut on recognized revenues:

	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Effect of contract liability haircut:		
Recognized revenue before contract liability haircut	331,405	316,279
Contract liability haircut amortized	(1,091)	(2,955)
Total revenue	**330,314**	**313,324**

(b) Revenue by product type

	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Core products	268,472	261,908
Emerging products	61,842	51,416
Total revenue	**330,314**	**313,324**

(c) Revenue by route to market

	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
End user	282,971	262,452
Independent Hardware Vendor & Embedded	47,343	50,872
Total revenue	**330,314**	**313,324**

(d) Revenue by geographical location

	Six months ended 30 April 2023 US$'000	Six months ended 30 April 2022 US$'000
Europe, Middle East and Africa	148,340	146,096
North America	128,574	114,423
Asia Pacific and Japan	24,043	22,886
Greater China	17,387	19,400
Latin America	11,970	10,519
Total revenue	**330,314**	**313,324**

8. Separately reported items

The Group has adopted a columnar presentation in its presentation of the Interim Condensed Consolidated Statement of Comprehensive Income in order to disaggregate items of specific importance from operations in the normal course (referred to as "Headline"). In doing so, Management considers that this gives a better indication of the underlying results of the ongoing business. Such items are those which are expected to have standalone significance and are typically confined to a single financial reporting period.

In determining this format, Management note IAS 1 *Presentation of Financial Statements* does not provide definitive guidance as to the format of the Interim Condensed Consolidated Statement of Comprehensive Income, but states key lines, which should be disclosed. It also encourages the disclosure of additional line items and the reordering of items presented on the face of the Interim Condensed Consolidated Statement of Comprehensive Income when appropriate for a proper understanding of the entity's financial performance.

	Six months ended 30 April 2023 US$'000	**Six months ended 30 April 2022 US$'000**
Separately reported items:		
Costs arising from a restructuring program	6,836	-
Expense items forming part of operating losses	**6,836**	**-**
Tax credit on restructuring costs	(1,706)	-
Total tax credit reported separately	**(1,706)**	**-**
Separately reported items, net	**5,130**	**-**

Restructuring costs were US$6.8 million (*six months ended 30 April 2022: US$ nil*) for the six months ended 30 April 2023 and relate to a restructuring program, to align the operations of the Group with its strategic objectives. Further details are set out in Note 13.

9. Taxation

Taxation for the period is a charge of US$5.9 million (*six months ended 30 April 2022: credit of US$7.9 million*) in respect of the loss before tax of US$19.5 million (*six months ended 30 April 2022: loss before tax of US$34.4 million*), which represents an effective tax rate of (30.4%) (*six months ended 30 April 2022: 23.1%*). The key reconciling items to the group rate of 28.1% are non-deductible share-based expenses, irrecoverable withholding tax and prior year adjustments. The tax charge for the six months ended 30 April 2023 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ended 31 October 2023.

10. Earnings per share

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

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

	Six months ended 30 April 2023	**Six months ended 30 April 2022**
Loss for the period (US$'000)	(25,484)	(26,454)
Weighted average number of ordinary shares in issue (number)	169,540,266	169,027,117
Basic loss per share (US$ per share)	**(0.2)**	**(0.2)**

11. Goodwill and intangible assets

(a) Roll-forward of goodwill

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Opening	2,686,320	2,686,320
Acquired through a business combination	-	-
Total	**2,686,320**	**2,686,320**

(b) Roll-forward of intangible assets

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The remaining useful life as at 30 April 2023 is set out below:

Asset class	Remaining useful life at reporting date
Purchased software	Varies by contractual term of license
Development costs	6.8 years
Intellectual property	0.6 – 1.5 years
Customer relationships	2.6 – 6.1 years
Non-compete agreements	0.6 years

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

(b) Roll-forward of intangible assets

	Development costs US$'000	Purchased software US$'000	Intellectual property US$'000	Customer relationships US$'000	Non-compete agreements US$'000	Total US$'000
Current period						
Cost						
1 November 2022	**8,991**	**35,615**	**357,944**	**461,888**	**2,632**	**867,070**
Acquired in the period	-	1,647	-	-	-	1,647
FX movements	941	3,333	-	-	-	4,274
30 April 2023	**9,932**	**40,595**	**357,944**	**461,888**	**2,632**	**872,991**
Accumulated amortization						
1 November 2022	**2,699**	**21,530**	**251,983**	**195,752**	**1,679**	**473,643**
Charge for the period	479	4,495	34,465	28,508	438	68,385
FX movements	231	2,223	43	29	-	2,526
30 April 2023	**3,409**	**28,248**	**286,491**	**224,289**	**2,117**	**544,554**
Carrying value						
30 April 2023	**6,523**	**12,347**	**71,453**	**237,599**	**515**	**328,437**
1 November 2022	6,292	14,085	105,961	266,136	953	393,427

11. Goodwill and intangible assets (continued)

(b) Roll-forward of intangible assets (continued)

	Development costs US$'000	Purchased software US$'000	Intellectual property US$'000	Customer relationships US$'000	Non-compete agreements US$'000	Total US$'000
Prior year						
Cost						
1 November 2021	**10,065**	**38,300**	**358,991**	**461,888**	**2,632**	**871,876**
Acquired in the period	341	2,864	-	-	-	3,205
Business combination finalization	-	-	(1,047)	-	-	(1,047)
FX movements	(1,415)	(5,549)	-	-	-	(6,964)
31 October 2022	**8,991**	**35,615**	**357,944**	**461,888**	**2,632**	**867,070**
Accumulated amortization						
1 November 2021	**1,933**	**15,293**	**182,766**	**134,025**	**803**	**334,820**
Charge for the period	1,082	9,134	69,217	61,690	876	141,999
FX movements	(316)	(2,897)	-	37	-	(3,176)
31 October 2022	**2,699**	**21,530**	**251,983**	**195,752**	**1,679**	**473,643**
Carrying value						
31 October 2022	**6,292**	**14,085**	**105,961**	**266,136**	**953**	**393,427**
1 November 2021	8,132	23,007	176,225	327,863	1,829	537,056

(c) Carrying value assessment

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

Goodwill had a carrying value of US$2,686.3 million (*31 October 2022*: *US$2,686.3 million*) as at the balance sheet date and is tested for impairment annually. The Group performed its annual impairment test as of '30 September 2022' during October 2022.

As at 30 April 2023, in light of softer than anticipated trading in the quarter and the resultant impact on the financial year to 31 October 2023, Management has revisited the key assumptions used in the annual impairment test as of 30 September 2022. Management has also run sensitivity analysis on the revised base case (consistent with updated guidance), which continues to demonstrate sufficient headroom between the recoverable amount and the carrying value of the Group's long-term assets.

As a result, Management has recognised no impairment in the current period (31 October 2022: $nil).

12. Borrowings

(a) Amounts outstanding at the reporting date

	Contractual Interest Terms	Effective Interest Rate	Contractual Maturity Date	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Loan note description					
Current borrowings					
USD 360,000,000 (B1)	SOFR + 3.25%	6.46%	March 2026	3,600	3,600
EUR 300,000,000 (B2)	EURIBOR + 3.5%	4.03%	March 2026	-	-
USD 300,000,000 (SC)	SOFR + 4%	4.98%	Nov 2027	-	-
USD 169,300,000 (RCF)	SOFR/EURIBOR + 3%	5.68%	Sept 2025	-	-
Total current interest-bearing loans and borrowings				**3,600**	**3,600**
Non-current borrowings					
USD 360,000,000 (B1)	SOFR + 3.25%	6.46%	March 2026	336,390	335,276
EUR 300,000,000 (B2)	EURIBOR + 3.5%	4.03%	March 2026	327,140	294,510
USD 300,000,000 (SC)	SOFR + 4%	4.98%	Nov 2027	66,989	66,203
USD 169,300,000 (RCF)	SOFR/EURIBOR + 3%	5.68%	Sept 2025	-	-
Total non-current interest-bearing loans and borrowings				**730,519**	**695,989**
Total interest-bearing loans and borrowings				**734,119**	**699,589**

Total arrangement fees of US$42.0 million (*31 October 2022: US$41.4 million*) are included in the calculation of the amortized cost using the effective interest method.

For all other loan facilities, the Group currently does not expect any changes to the repayment schedule and no adjustment or modification to the allocation of the capitalized arrangement fees was required.

(b) Net finance costs

Net finance costs for the period were US$27.6 million (*six months ended 30 April 2022: US$21.6 million*). Net finance costs predominately relate to interest payable on external borrowings, amortization of arrangement fees and fair value losses on derivative instruments not qualifying for hedge accounting net of interest income earned.

The increase in net finance costs for the six months ended 30 April 2023 in comparison to the prior period is attributed to increases in interest rates since early 2022. In the prior period, an existing swap was in place converting $315m of the Group's debt from a variable to a fixed interest rate and this arrangement expired in April 2022. The remaining portion of the debt was unhedged for the period to 30 April 2022. During September 2022, the Group entered into three new interest rate swaps to hedge the interest rate exposure on all of the Group's debt. Further details are included in Note 15(c).

12. Borrowings (continued)

(c) Reconciliation of movement in Consolidated Net Leverage

	As at 1 November 2022 US$'000	Foreign exchange US$'000	Other movements US$'000	Accrued interest US$'000	Cash flow US$'000	As at 30 April 2023 US$'000
Related to borrowings:						
Interest bearing borrowings	(699,589)	(31,335)	(1,944)	(3,051)	1,800	(734,119)
Capitalized arrangement fees	(41,393)	(610)	-	-	-	(42,003)
Amortization of arrangement fees	27,183	-	1,944	-	-	29,127
(Gain)/loss on loan modification	(710)	-	-	-	-	(710)
Movement in borrowings	**(714,509)**	**(31,945)**	**-**	**(3,051)**	**1,800**	**(747,705)**
Related to other items:						
Other payables	(10,925)	(2,269)	3,016	-	-	(10,178)
Cash and cash equivalents	177,544	2,022	-	-	44,763	224,329
Consolidated net leverage	**(547,890)**	**(32,192)**	**3,016**	**(3,051)**	**46,563**	**(533,554)**

	As at 1 November 2021 US$'000	Foreign exchange US$'000	Other movements US$'000	Accrued interest US$'000	Cash flow US$'000	As at 31 October 2022 US$'000
Related to borrowings:						
Interest bearing borrowings	(745,748)	46,939	(3,172)	(1,208)	3,600	(699,589)
Capitalized arrangement fees	(42,409)	1,016	-	-	-	(41,393)
Amortization of arrangement fees	24,011	-	3,172	-	-	27,183
(Gain)/loss on loan modification	(710)	-	-	-	-	(710)
Movement in borrowings	**(764,856)**	**47,955**	**-**	**(1,208)**	**3,600**	**(714,509)**
Related to other items:						
Other payables	(19,297)	2,713	5,659	-	-	(10,925)
Cash and cash equivalents	61,061	2,012	-	-	114,471	177,544
Consolidated net leverage	**(723,092)**	**52,680**	**5,659**	**(1,208)**	**118,071**	**(547,890)**

Other payables amounts relate to unpaid software liabilities of US$10.2 million (*31 October 2022*: US$10.9 million). US$6.7 million (*31 October 2022*: US$7.2 million) is included in current other payables and US$3.5 million (*31 October 2022*: US$3.7 million) in non-current other payables. These amounts are included in the movement in other payables in the Interim Condensed Consolidated Statement of Cash Flows.

Repayments of borrowings of US$1.8 million (six months ended 30 April 2022: US$1.8 million), payments of premia on interest rate swaps of US$1.5 million (six months ended 30 April 2022: US$4.4 million) and lease payments of US$4.2 million (six months ended 30 April 2022: US$2.2 million) result in a net cash outflow from financing activities during the period of US$7.5 million (six months ended 30 April 2022: US$8.4 million).

13. Provisions

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Dilapidation provision	1,056	1,050
Loss-making provision	100	200
Restructuring provision	1,363	-
Legal provision	120	120
Total provisions	**2,639**	**1,370**
Split as:		
Current	1,600	337
Non-current	1,039	1,033
Total provisions	**2,639**	**1,370**

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

A provision for loss-making operations was identified on acquisition. During the period, US$0.1 million of the provision was utilized reflecting the net cash cost of fulfilling the contractual obligations of the loss-making operation.

The restructuring provision includes the costs of initiatives to rationalize operating activities and was announced by Management in FY23. The provision is intended to mainly cover employee termination costs and is expected to be fully utilised in FY23. During the six-month period ended 30 April 2023 the Group recognized a provision of US$6.8 million which is recorded within Separately Reported Items (Note 8) in the Income Statement. During the period, US$5.4 million was utilized.

14. Deferred income - contract liabilities

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

A contract liability is an entity's obligation to transfer goods or services to a customer and is recognised in the Statement of Financial Position, when a payment from a customer is invoiced, before a related performance obligation is satisfied. A remaining performance obligation is a promise to transfer goods or services to a customer (with a contract agreed), at a point in the future, but is yet to be invoiced or recognised in the Statement of Financial Position.

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Presentation in Statement of Financial Position:		
Current	375,405	351,197
Non-current	187,773	215,034
Total deferred income - contract liabilities	**563,178**	**566,231**

Contract liabilities as at 30 April 2023 were US$563.2 million (*31 October 2022*: *US$566.2 million*) and included an unamortized fair value reserve of US$1.1 million (*31 October 2022*: *US$2.2 million*) relating to contract liabilities acquired as part of a business combination.

The movement in contract liabilities during the financial year is detailed as follows:

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
1 November	566,231	507,786
Amounts invoiced during period/year	326,992	715,162
Amounts recognized during period/year [1]	(330,314)	(653,023)
Other adjustments	269	(3,694)
End of period/year	**563,178**	**566,231**

[1] Amounts recognized during the period includes US$220.0 million (31 October 2022: US$329.6 million) which was included in the contract liabilities balance at the beginning of the year.

The remaining unbilled performance obligations were US$141.8 million as at 30 April 2023 (31 October 2022: US$126.5million).

The aging of remaining performance obligations (including contract liabilities) is detailed as follows:

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Current	440,388	394,538
Between 2 and 5 years	264,137	296,758
After 5 years	423	1,410
Total	**704,948**	**692,706**

15. Financial risk management

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

Financial assets – current period	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Non-current assets				
Derivative assets	-	4,015	-	4,015
Long-term pension assets	-	-	556	556
Current assets				
Cash and cash equivalents	224,329	-	-	224,329
Trade receivables	102,079	-	-	102,079
Other receivables	20,528	-	-	20,528
As at 30 April 2023	**346,936**	**4,015**	**556**	**351,507**

Financial assets – prior year	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Non-current assets				
Derivative assets	-	4,051	-	4,051
Long-term pension assets			484	484
Current assets				
Cash and cash equivalents	177,544	-	-	177,544
Trade receivables	132,090	-	-	132,090
Other receivables	17,078	-	-	17,078
As at 31 October 2022	**326,712**	**4,051**	**484**	**331,247**

Financial liabilities – current period	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Current liabilities				
Trade payables	14,687	-	-	14,687
Borrowings	3,600	-	-	3,600
Non-current liabilities				
Borrowings	730,519	-	-	730,519
As at 30 April 2023	**748,806**	**-**	**-**	**748,806**

Financial liabilities – prior year	Amortized cost US$'000	FVOCI US$'000	FVTPL US$'000	Total US$'000
Current liabilities				
Trade payables	15,763	-	-	15,763
Borrowings	3,600	-	-	3,600
Non-current liabilities				
Borrowings	695,989	-	-	695,989
As at 31 October 2022	**715,352**	**-**	**-**	**715,352**

15. Financial risk management (continued)

The Group does not hold any financial instruments that are classified as level 1 assets or liabilities as at 30 April 2023 (31 October 2022: none).

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

Long-term pension assets are measured at fair value and classified as Level 3 in the fair value measurement hierarchy as they have been determined by applying a discount rate to the future cash flows and considering the fixed interest rate, mortality rates and term of the insurance contract.

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

For other financial instruments such as trade and other receivables, cash and cash equivalents, trade and other payables, fair values approximate to book values due to the short maturity periods of these financial instruments. For trade and other receivables, allowances are made within book value for credit risk.

There were no transfers of assets or liabilities between levels of the fair value hierarchy during the current or prior periods.

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

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

(a) Credit risk

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

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
Trade receivables	102,079	132,090
Cash and cash equivalents	224,329	177,544
Total	**326,408**	**309,634**

15. Financial risk management (continued)

(a) Credit risk (continued)

(i) Impairment of trade receivables

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

During the period a US$0.7 million (six months ended 2022: US$0.5 million reversal) reversal of the loss allowance was recognized in the Interim Condensed Consolidated Statement of Comprehensive Income. The Group applies the IFRS 9 Financial Instruments simplified approach to measure its expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. The expected loss rates are based on the actual credit loss experience. These historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors. The Group has identified macro-economics and country specific risks, to be the most relevant factors and has adjusted the historical loss rates based on expected changes in these factors. The expected credit loss is in line with the prior year.

(ii) Impairment of cash and cash equivalents

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

(b) Market risk

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

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

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

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

(c) Hedging activities and derivatives

The Group is exposed to certain cash flow risks relating to its ongoing business operations and financing structure. The primary risk managed using derivative instruments is interest rate risk. The fair value of derivative assets and liabilities as at 30 April 2023 was as follows:

	As at 30 April 2023		As at 31 October 2022	
	Derivative Assets US$'000	**Derivative Liabilities US$'000**	**Derivative Assets US$'000**	**Derivative Liabilities US$'000**
Derivative not designated as hedging instruments:				
- Interest rate swap	4,015	-	4,051	-
Total	**4,015**	**-**	**4,051**	**-**

15. Financial risk management (continued)

(c) Hedging activities and derivatives (continued)

(i) Cash flow hedges

The amounts relating to items designated as hedging instruments as at 30 April 2023 were as follows:

	As at 30 April 2023 US$'000	As at 31 October 2022 US$'000
At beginning of period	(4,051)	4,337
Other comprehensive income:		
Interest rate swap (matured in April 2022):		
- Cash flow hedge reserve	-	49
- Payments reclassified to profit or loss	-	(4,386)
Interest rate swap (commenced in October 2022):		
- Cash flow hedge reserve	1,695	(4,051)
- Payments reclassified to profit or loss	(1,485)	-
Total	**(3,841)**	**(4,051)**

Interest rate swap (matured in April 2022):

Since 2019, the Group had an interest rate swap agreement in place with a notional amount of US$315 million to hedge the exposure to variable interest in its borrowings. Under this agreement, the Group pays a fixed rate of interest of 2.927% and receives interest at a variable rate equal to one-month SOFR on the notional amount. There was an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap matched the critical terms of the fixed rate loan. The Group established a hedge ratio of 87.5% (2021: 87.5%) for the hedging relationship as the underlying risk of the interest rate swap was identical to the hedged risk component.

Premia paid of US$4.4 million (2021: US$9.0 million) have been recycled from the cash flow hedge reserve during the year. The agreement matured in April 2022.

Interest rate swaps (commenced in October 2022):

In September 2022, the Group entered into three interest rate swap agreements to hedge the full exposure to variable interest on its three external loan facilities (B1, B2 and Sidecar).

Facility	B1	B2	Sidecar
Currency	USD	EUR	USD
Notional amount of IRS agreement	US$348.3m[1]	€300.0m	US$66.992m
Company pays	Fixed rate of 3.88692%	Fixed rate of 2.713%	Fixed rate of 3.94922%
Company receives	Variable rate equal to one-month SOFR (compounded with 5 business day lookback)	Variable rate equal to three-month EURIBOR	Variable rate equal to one-month SOFR (compounded with 5 business day lookback)
Settlements due	Monthly, commencing November 2022	Quarterly, commencing January 2023	Monthly, commencing November 2022

[1] the notional amount of the interest rate swap agreement on the B1 facility reduces by the $0.9m quarterly principal repayment.

15. Financial risk management (continued)

(c) Hedging activities and derivatives (continued)

(i) Cash flow hedges (continued)

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the critical terms of the fixed rate loans. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk components. The Group uses the hypothetical derivative method to test effectiveness which compares changes in the fair value of the hedging instrument and hedging item attributable to the hedged risk. Hedge ineffectiveness can arise:

– From different interest rate curves applied to discount the hedged item and hedging instrument;
– From differences in timing of cash flows of the hedged item and hedging instrument; and
– From the counterparties' credit risk differently impacting the fair value movements.

The fair value of US$4.0 million in respect of the hedged instrument is deemed to be wholly effective and has been recognized in other comprehensive income. Premia paid of US$1.5 million (2022: US$ nil) have been recycled from the cash flow hedge reserve during the period.

16. Capital and reserves

(a) Share capital and share premium.

At 30 April 2023, the subscribed capital of the Company was US$16,997,110 (31 October 2022: US$16,936,045) as represented by 169,971,098 (31 October 2022: 169,360,445) shares without nominal value. At 30 April 2023, the share premium of the Company amounted to US$2,522.9 million (31 October 2022: US$2,523.0 million).

The movement in share capital and share premium during the period is detailed as follows:

	No. of shares number	Share capital US$'000	Share premium US$'000
Current period:			
1 November 2022	169,360,445	16,936	2,522,978
Increases in share capital			
-19 January 2023	69,945	7	(7)
-15 March 2023	540,708	54	(54)
As at 30 April 2023	**169,971,098**	**16,997**	**2,522,917**

On 19 January 2023, the share capital of the Company was increased by US$6,995 by the creation of 69,945 new shares, resulting in a reduction to share premium.

On 15 March 2023, the share capital of the Company was increased by US$54,071 by the creation of 540,708 new shares, resulting in a reduction to share premium.

There were no movements in share capital or share premium in the prior period.

(b) Retained losses

Retained losses as at 30 April 2023 amounted to US$425.7 million (31 October 2022: US$400.3 million) and included the Group's loss for the period of US$25.5 million and other comprehensive expense of US$31.9 million.

(c) Other reserve

The other reserve comprises the equity component of equity-settled share-based payment awards.

16. Capital and reserves (continued)

(d) Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability. Further details are included in Note 15(c).

(e) Foreign currency translation reserve

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

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

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

17. Related party relationships

To enable users of the financial statements to form a view on the effects of related party relationships on the Group, related party relationships are disclosed where control exists, irrespective of whether there have been transactions between related parties. All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

(i) Ultimate controlling party

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

(ii) Transactions with subsidiaries

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

(iii) Transactions with associate investments

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

(iv) Transactions with key management personnel

The remuneration of key management personnel is set out in Note 31 of the last annual financial statements.
During the period, the Group incurred costs of $3.7 million associated with the departure of certain key management personnel. The costs are predominately in the form of cash.

(v) Transactions with members of the Supervisory Board

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

(vi) Transactions with shareholders

There were no other transactions with shareholders during the period.

(vii) Transactions with other related parties

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

18. Commitments and contingencies

(i) Director and officer insurance

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

(ii) External borrowings guarantee

The obligations of the obligor members of the Group under the external loan agreements (Senior Facilities Agreement and the related finance documents) are secured (subject to certain agreed security principles) by liens granted by obligor members of the Group over shares in obligor members of the Group, material intercompany receivables and material bank accounts.

The Group's guarantees under the external loan agreements include upstream, cross-stream and downstream guarantees by obligor members of the Group to each finance party under such agreements for the punctual performance by each other obligor member of the Group of their obligations under such agreements (subject to jurisdiction-specific guarantee limitations as set out therein).

19. Post balance sheet events

The Group has evaluated subsequent events from the balance sheet date through to the date at which these Consolidated Financial Statements were approved.

On June 19, 2023, SUSE announced that its CFO, Andy Myers would be stepping down from the Management Board and as CFO at the end of June. SUSE's Vice President of Treasury and Investor Relations, Jonathan Atack, joined the Management Board and has served as interim CFO from July 1. The transition is well underway, and a permanent successor will be announced in due course.

SUSE also announced the reappointment of Andrew McDonald to the Management Board with effect from July 1 and on an interim basis until a permanent CFO is appointed. Andrew McDonald has been Chief Legal Officer and Company Secretary of the Company since March 2021.

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