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PREQIN LTD

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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PREQIN LTD

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COMPANY INFORMATION

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Directors	C C Ferguson C Knaack A L M O'Hare
Company secretary	Vistra Cossec Limited
Registered number	04456744
Registered office	1st Floor Verde 10 Bressenden Place London SW1E 5DH
Independent auditor	RSM UK Audit LLP, Statutory Auditor Chartered Accountants Third Floor Priory Place New London Road Chelmsford CM2 0PP

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PREQIN LTD

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PREQIN LTD

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STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors of Preqin Limited present their Strategic Report and the audited financial statements for the year ended 31 December 2023. The directors, in preparing the accounts and this Strategic Report, have complied with s414C of the Companies Act 2006.

### Strategy and Business Model

Preqin Limited is the UK operating company for the Preqin group; details of the group's structure appear elsewhere in these financial statements.

The Preqin group serves clients across the entire private market investment lifecycle – from fundraising to due diligence to deal execution and portfolio monitoring. Within our data products we also serve hedge funds, rounding out our coverage of alternative assets.

Our core data products assist three broad customer groups: investors and advisors with their asset allocation and manager selection decisions; fund managers, placement agents and third-party marketers with their investor relations and asset gathering tasks; and service providers with their market intelligence and business development activities. With the expansion of our datasets into private companies, we are now also serving investors and fund managers with their deal origination and execution workflows.

On 5 August 2021, Preqin acquired a controlling stake in Colmore, the leading provider of fund administration, portfolio monitoring and fee validation services to LP and allocator clients.

The group has subscribers in more than 90 countries worldwide, and many tens of thousands of investment professionals also have access to Preqin's extensive free research and data, both online and through printed reports. Close to 100% of Preqin's revenues are for data or software licensed through an annual subscription model, with the remainder earned from publications, advertising or one-off professional services.

In the simplest terms, Preqin's strategy is to provide the most timely, comprehensive, and highest quality data and insight on the alternative assets industry.

### Review of Performance

Revenue for the year ended 31 December 2023 was £143m, an increase of 25% on 2022. Operating profit increased from £7.7m to £14.2m, and profit before tax increased from a loss of £16.9m to a profit of £7.2m. This increase was in part due to an FX gain of £6.5m on the revaluation of the senior loan at the year end.

Preqin Limited presents Adjusted EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation also taking into account foreign exchange gains and losses and any fair value movements relating to foreign exchange) on the face of the P&L which we believe to be a more helpful representation of operating performance. Adjusted EBITDA grew from £19.3m in 2022 to £29.8m in 2023 (+54%).

The net liabilities position moved from £17.1m to £9.2m. It should be noted this negative position is in part due to the £79.1m (2022 - £73.1m) deferred income balance in creditors, which is a non-cash liability. Cash reserves increased from £10.4m to £11.8m. Working capital remains well managed, trade debtors and deferred revenue have moved in line with higher revenues, with collections and bad debt write offs in line with historic trends.

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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*Preqin Pro*

We continue to make sizable software engineering investments in our customer platform (Preqin Pro), improving the usability and features available to customers so they can derive maximum benefit from our market leading data.

*Platform integrations*

We continue to build on the integrations available to customers to allow them to augment their proprietary data with our market content in whatever way works best for them.

*Data Coverage*

We are always investing heavily in the quality and coverage of our datasets. Data coverage grew significantly across core datasets and in particular within newer datasets like private companies and ESG.

*Operational Changes*

Nosheen Amir-Ebrahimi joined Preqin in January 2023 as Chief Commercial Officer, overseeing Preqin's commercial strategy. Ken Napolitano joined Preqin in July 2023 as Chief Revenue Officer, overseeing Preqin's sales and customer support teams. Ana Higgs joined Preqin in June 2023, leading the global People organisation.

**Alternatives Industry in 2023**

The backdrop for Preqin's performance in 2023 was another year of economic uncertainty with higher-for-longer interest rates representing a new paradigm for the alternatives industry. As detailed in the Preqin's Global Reports in 2023, there is now cautious optimism about prospects for alternatives in 2024 and growing consensus that we may be through the worst of the macroeconomic cycle:

- Private equity fundraising is expected to have slowed to c.\$500bn in 2023 from c.\$560bn in 2022;
- Alternatives AUM still increased from c.\$15tn in 2022 to c.\$16.3tn in 2023;
- Our year end investor survey indicates that sentiment is improving:
  - The number of investors expecting to allocate more to Private Equity over the next 12 months is 28% vs 18% who are expecting to allocate less, so net positive
  - 79% of investors in Private equity expect performance will be the same or better in 2024 than in 2023 (up from 40% the year before)
  - A number of long-standing investor concerns around pricing and denominator effect appear to have subsided
- Despite the short-term market adjustments taking place, Preqin still estimates alternatives AUM will reach \$22.6tn by 2027, up from \$11.6tn at the end of 2020.

Our long-term outlook for the alternative asset industry, in particular the private equity asset class remains very positive, despite the current market concerns over interest rates.

**Principal risks**

Preqin's business model is primarily subscriptions to a professional customer base. There are four principal risks to Preqin's business, these being:

- a) the risk that individual customers will not settle their subscription invoices, and so become bad debts;
- b) the risk that Preqin's data could at some time fail to meet customers' expectations, thereby leading to customer dissatisfaction and potentially the cancellation of subscriptions; and
- c) the risk that competing firms could offer products and services that potentially are a better match for the needs of our customers; and
- d) the risk that the group defaults on its external financing obligations.

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**Bad debt**

With a very broad customer base, reasonable pricing that offers excellent value for money to our customers, and professional credit control, Preqin's experience of bad debts has been extremely low and we see every reason why this should continue. In addition, Preqin has been at the forefront of increasing transparency in the alternative assets industry; and has worked very hard to improve the amount and quality of information that is available to assist our customers in their decision making.

**Churn**

Customer renewal rates are high and compare favourably to industry benchmarks. There can be no guarantees that this will always remain the case, however the owners, directors, managers and staff of Preqin are united in their commitment to serve our customers and enhance the quality and value-for-money of the services we provide.

**Competitors**

We continue to invest heavily in expanding our research and data operations teams to extend and improve the information available to our customers; in our software development team to create new products and enhance existing ones; in our customer service teams to ensure that our valued customers get the greatest possible use out of Preqin's products and services; in our product development team to engage closely with existing and new customers to ensure that we continue to meet their demands and anticipate new needs as they emerge; and in our communications team to ensure that we reach out effectively to existing and prospective customers, employees, business partners and influencers and tell them about Preqin's data and products.

The alternative assets industry is large and expected to continue growing over the long term. It is an attractive market for suppliers of information and services, so there are many competitors offering attractive products and services to customers. Preqin is not complacent, but continually strives to learn from our customers and to ensure that Preqin's products and services remain at the forefront of industry developments and offer a compelling proposition to our target customers. We will continue to invest heavily towards this objective.

**Default on debt obligations**

The group's operations remain cash generative with operating cash conversion in line with comparable businesses in the information services sector. The group took on a new £20m facility in the previous year in order to fund share buybacks. The business continuously stress tests and validates the group's latest projections against the covenants of this facility to ensure we have adequate headroom to pursue our growth ambitions. The budgets for FY24 show we will have sufficient buffer on top of our mandated covenants.

**Employee Gender Diversity**

As at 31 December 2023, Preqin Limited together with overseas Preqin entities had the following gender representation:

- 3 male directors and 0 female directors
- 66 male senior managers and 36 female senior managers
- 683 male employees and 433 female employees

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**Key performance indicators**

The financial figures presented elsewhere in this report represent the most important performance indicators for the company:

- Sales revenue and growth therein found on page 16;
- Gross and net margins found on page 16;
- Adjusted EBITDA found on page 16; and
- The solidity of the company's balance sheet, in particular the cash resources available for future development and growth of the business found on page 17.

In addition to these financial measures presented in this report, the Directors and Management Team of Preqin pay close attention to several operating factors, including but not limited to the following:

- Growth in page views and product usage by subscribers;
- Customer satisfaction as assessed through client interactions and surveys;
- Press mentions quoting Preqin data;
- Numerical measures of the coverage and quality of Preqin data - e.g. number of investors and funds covered, frequency of updates, etc.;
- Engineering output and code quality;
- Leads, conversions, sales pipeline figures and measures of marketing effectiveness;
- Response times in serving customers;
- Output of published research; and
- Employee satisfaction and engagement.

**Employees**

Preqin Limited employed an average of 371 employees during 2023 (338 in FY22). In addition to these permanent employees, the wider Preqin team also includes many staff employed by partner organizations and subcontracted to Preqin to provide valuable services (principally in the areas of software engineering and research).

The skills, energy, dedication, and innovation exhibited by Preqin's staff are a vital ingredient in the company's success; and the board and I would like to congratulate and thank them for their efforts and achievements during this past year. We strive to provide a good working environment; opportunities and challenges for our people; highly competitive remuneration and participation in the company's success through our various equity and reward schemes; and to make Preqin a great place to work.

**Future Developments**

The alternative assets industry is a vital part of the global economy, and we expect it to continue to grow strongly over the medium term despite the current market challenges.

The board is confident that demand for Preqin's products and services will continue to grow; that we have many opportunities to enhance and improve the company's offering and position in the market; and we are committed to continuing to invest to do so.

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**Section 172(1) Statement**

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement explains how Preqin Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regarding decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to Preqin, and the level of information disclosed is consistent with the size and the complexity of the business.

**General confirmation of director's duties**

Preqin's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. Board powers are explained in greater detail in the articles of the company.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

(a) the likely consequences of any decision in the long term;

- The directors understand the business and the evolving environment in which Preqin operates, each having decades of business experience or experience within the alternatives industry (or both). The strategy set by the Board is intended to strengthen Preqin's position as a leading data provider to the industry. Each year the Board refreshes the strategy to respond to the changing market dynamics and performance against the strategy is communicated at each board meeting.

(b) the interests of the company's employees;

- The directors recognise that Preqin employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Directors responsibilities with regards to employees is also highlighted in the Directors report.
- Preqin fosters strong alignment between shareholders and employees through its global option and share schemes whereby all employees have an opportunity to buy equity in the business following their probation period. There is also a broad based equity awards scheme.

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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(c) the need to foster the company's business relationships with suppliers, customers and others;

- Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, partners and the alternatives industry generally. Preqin seeks the promotion and application of certain general principles in such relationships as outlined in the company values.
- Customers are the core to Preqin's business and are engaged with daily through a number of channels, not least in our research efforts which means we have an in depth understanding of our customers' businesses. Customer satisfaction results and feedback are reported on regularly to the Directors.
- Certain supplier relationships are fundamental to the delivery of our core data service e.g. our offshore data operations partners or our technology partners. The Directors receive information updates on these partnerships periodically which inform how these stakeholders have been engaged.

(d) the impact of the company's operations on the community and the environment;

- With respect to the alternatives community, Preqin provides an invaluable service to the industry and has been a crucial part of its growth. We dedicate resources every year to create thought leadership pieces utilizing our data for good to shed light on environmental and social issues. For example, our annual 'Women in Alternatives' report provides data-driven insights into the underrepresentation of women in alternatives and thought-provoking content around how we can move the needle. Our climate research sheds light on the disparity between sustainability commitments and where the money is invested. We also engage in global discussions around regulations and standards that promote more consistent ESG data disclosure bringing about a more transparent financial system.
- We recognize the impact our operations can have on the environment and the communities in which we operate. Our Corporate Responsibility strategy supports Preqin's commitment to operating sustainably and with our stakeholders in mind. Examples include:
  - Publishing our annual Impact Report to publicly disclose the commitments and progress of Preqin's sustainability strategy across material environmental, social and governance factors.
  - Our ambitious carbon reduction commitment from the Science Based Target Initiative in line with a 1.5 degree warming scenario.
  - Supporting our communities through direct giving and employee matching gift donations to non-profits, partnering with organizations that align with our strategy to support opening doors for people historically underrepresented in the alternatives industry, and running our Community Impact Months that invites our employees globally to donate their time in helping local non-profit efforts.

(e) the desirability of the company maintaining a reputation for high standards of business conduct; and

- The Board periodically reviews the Business Ethics Policy to ensure that its high standards are maintained within Preqin and the business relationships we maintain.
- Our customers' trust is fundamental for Preqin to be able to operate its research function successfully. Integrity is therefore one of Preqin's core business values.
- The Board has established a set of distinctive corporate values which are tied to every employee's performance objectives, and ultimately compensation.

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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(f) the need to act fairly between members of the company.

- After weighing up all relevant factors, the directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders.

This report was approved by the board and signed on its behalf.



C C Ferguson  
Director

Date: 13 June 2024

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PREQIN LTD

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DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their report and the financial statements for the year ended 31 December 2023.

**Principal activity**

The principal activity of the Company continued to be that of providing financial information on the private equity and alternatives assets industry.

**Results and dividends**

The profit for the year, after taxation, amounted to £6,992,502 (2022 - loss £17,149,772).

No dividends were paid or proposed during the year (2022 - £Nil).

**Directors**

The directors who served during the year were:

C C Ferguson  
C Knaack  
A L M O'Hare

**Charitable donations**

During the year, the Company made charitable donations of £3,387 (2022 - £19,846).

**Financial risk management objectives and policies**

Exposure to foreign currency, liquidity and customer credit risks arise in the normal course of the Company's business. These risks are limited by the Company's financial management policies below:

**Foreign currency risk**

The company is exposed to foreign currency exchange rate risk due to a significant proportion of its receivables being denominated in non-Sterling currencies. The company has operating expenditure denominated in non-Sterling currencies, although to a lesser extent than its receivables. The net exposure of each currency is monitored and reviewed regularly.

It was decided that a program should be implemented monthly to smooth the curve of any FX volatility by pound-cost averaging the rate over time. The group entered into participating forward contracts commencing in January 2023. A target hedge participation of 60% was determined with a minimum hedge horizon of 6-months and a maximum of 9-months. This would ensure that the group are never over-hedged given the challenge around certainty of USD cash flows whilst allowing for other income (EUR and GBP) to assist in covering operational expenditure.

Any additional treasury requirements are managed by dealing at spot.

**Liquidity risk**

The objective of the Company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Company expects to meet its financial obligations through operating cash flows. The directors expect the Company's operating cash flows to provide sufficient working capital for the foreseeable future.

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PREQIN LTD

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**Customer credit exposure**

The Company may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The Company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong ongoing customer relationships and through a skilled customer credit control team.

**Research and development**

The majority of research and development (R&D) expenditure relates to the Preqin Pro platform as referred to in the Strategic Report.

**Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

**Matters of strategic importance**

Information is not shown within the Directors' Report as it is instead within the Strategic Report on pages 1-7 under s.414C(11) of the Companies Act 2006.

**Going concern**

The company's business activities along with those of the wider group, together with factors likely to affect its future development performance and position are set out in the strategic report. The directors report further describes the financial position of the company; its cash flows and liquidity position; the company's objectives; policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company meets its day to day working capital requirements through excess cash holdings. The group's and company's forecasts and projections, taking account of reasonable possible changes in trading performance show that the company should be able to operate within its current cash reserves.

The directors take note of the net liability position at year end, however believe this is mitigated by:

- The strong operating cashflows of the company and group
- The duration of the senior loan in the business
- The £79.1m in deferred income at year end that is a non-cash liability

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. It is not expected that any post year end impact of global interest rate changes will have material impact on the ability of the company to continue in existence given the cash reserves held and expected cash generation. Thus they continue to adopt the going concern basis of accounting and in preparing the financial statements.

**Statement of disclosure to auditor**

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

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PREQIN LTD

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**Auditor**

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to remain in office.

This report was approved by the board and signed on its behalf.



C C Ferguson  
Director

Date: 13 June 2024

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PREQIN LTD

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DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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PREQIN LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD

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**Opinion**

We have audited the financial statements of Preqin Ltd (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

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 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.

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PREQIN LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD (CONTINUED)

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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 course of 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 this gives rise to 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.

**Opinion 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.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Directors' Responsibilities Statement set out on page 11, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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PREQIN LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD (CONTINUED)

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**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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

*Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.*

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the company audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities where relevant.

The audit engagement team identified the risk of management override of controls and revenue recognition (including deferred income) as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, testing revenue both in the year and around the year end and the recalculation of an appropriate sample of deferred income.

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PREQIN LTD

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREQIN LTD (CONTINUED)

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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.

*Kerry Norman*

Kerry Norman (Senior Statutory Auditor)

for and on behalf of  
RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor  
Priory Place  
New London Road  
Chelmsford  
CM2 0PP  
Date: 13/6/2024

## PREQIN LTD

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	4	143,287,687	114,790,918
Cost of sales		(35,464,880)	(24,204,520)
<b>Gross profit</b>		<b>107,822,807</b>	<b>90,586,398</b>
Distribution costs including sales and marketing		(16,468,008)	(13,270,233)
Administrative expenses including depreciation and amortisation		(76,326,018)	(71,512,050)
Other operating income	5	14,878	1,194,074
Fair value movements	19	(807,958)	689,028
<b>Adjusted EBITDA*</b>		<b>29,772,377</b>	<b>19,286,311</b>
Depreciation on tangible assets	13	(619,763)	(651,083)
Amortisation of intangible assets	12	(14,707,553)	(10,696,878)
Foreign exchange loss		598,598	(940,161)
Fair value movements	19	(807,958)	689,028
<b>Operating profit</b>	6	<b>14,235,701</b>	<b>7,687,217</b>
Interest receivable and similar income	9	3,230,950	552,023
Interest payable and similar expenses	10	(10,270,095)	(25,162,849)
<b>Profit/(loss) before tax</b>		<b>7,196,556</b>	<b>(16,923,609)</b>
Tax on profit/(loss)	11	(204,054)	(226,163)
<b>Profit/(loss) for the financial year</b>		<b>6,992,502</b>	<b>(17,149,772)</b>

\*Adjusted EBITDA represents Earnings Before Interest, Taxation, Depreciation and Amortisation also taking into account foreign exchange gains and losses and any fair value movements relating to foreign exchange.

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 20 to 42 form part of these financial statements.

PREQIN LTD  
REGISTERED NUMBER: 04456744

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	12	28,802,434	24,496,225
Tangible assets	13	1,054,451	1,596,895
Investments	14	125,459,699	122,891,241
		<u>155,316,584</u>	<u>148,984,361</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	38,189,143	13,888,848
Debtors: amounts falling due within one year	15	48,058,982	53,562,746
Cash at bank and in hand		11,753,675	10,420,740
		<u>98,001,800</u>	<u>77,872,334</u>
Creditors: amounts falling due within one year	16	(111,394,989)	(96,585,849)
<b>Net current liabilities</b>		<u>(13,393,189)</u>	<u>(18,713,515)</u>
<b>Total assets less current liabilities</b>		<u>141,923,395</u>	<u>130,270,846</u>
Creditors: amounts falling due after more than one year	17	(150,964,051)	(147,166,679)
<b>Provisions for liabilities</b>			
Other provisions	21	(206,150)	(206,150)
<b>Net liabilities</b>		<u>(9,246,806)</u>	<u>(17,101,983)</u>
<b>Capital and reserves</b>			
Called up share capital	22	93,314	93,314
Share premium account	23	105,522	105,522
Share-based payment reserve	23	4,091,838	3,229,163
Profit and loss account	23	(13,537,480)	(20,529,982)
<b>Shareholders' deficit</b>		<u>(9,246,806)</u>	<u>(17,101,983)</u>

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PREQIN LTD  
REGISTERED NUMBER: 04456744

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STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 DECEMBER 2023

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



C C Ferguson  
Director

Date: 13 June 2024

The notes on pages 20 to 42 form part of these financial statements.

## PREQIN LTD

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Share premium account £	Share-based payment reserve £	Profit and loss account £	Total equity £
At 1 January 2022	93,314	105,522	2,536,210	(3,380,210)	(645,164)
Comprehensive income for the year					
Loss for the year	-	-	-	(17,149,772)	(17,149,772)
Contributions by and distributions to owners					
Share based payment transactions	-	-	692,953	-	692,953
At 1 January 2023	93,314	105,522	3,229,163	(20,529,982)	(17,101,983)
Comprehensive income for the year					
Profit for the year	-	-	-	6,992,502	6,992,502
Contributions by and distributions to owners					
Share based payment transactions	-	-	862,675	-	862,675
At 31 December 2023	93,314	105,522	4,091,838	(13,537,480)	(9,246,806)

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. General information**

Preqin Ltd is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office and principal place of business is 1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH.

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

**2. Accounting policies**

**2.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below:

**2.2 Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 26 'Share based Payment'- Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures'- Compensation for key management personnel.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

The results of Preqin Ltd are included in the consolidated financial statements of Preqin Holding Limited which are available from its registered office 1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.3 Going concern

The company's business activities along with those of the wider group, together with factors likely to affect its future development performance and position are set out in the strategic report. The directors report further describes the financial position of the company; its cash flows and liquidity position; the company's objectives; policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The company meets its day to day working capital requirements through excess cash holdings. The group's and company's forecasts and projections, taking account of reasonable possible changes in trading performance show that the company should be able to operate within its current cash reserves.

The directors take note of the net liability position at year end, however believe this is mitigated by:

- The strong operating cashflows of the company and group
- The duration of the senior loan in the business
- The £79.1m in deferred income at year end that is a non-cash liability

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. It is not expected that any post year end impact of global interest rate changes will have material impact on the ability of the company to continue in existence given the cash reserves held and expected cash generation. Thus they continue to adopt the going concern basis of accounting and in preparing the financial statements.

2.4 Turnover

Turnover comprises the invoiced value of goods and services supplied by the Company, net of Value Added Tax.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration as the services are performed, and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year and as part of creditors due after more than one year.

The Company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities as set out above.

2.5 Research expenditure

Research expenditure is written off against profits in the year in which it is incurred.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.6 Capitalised software development costs

Certain of our software development costs are capitalised. Costs capitalised include direct labour, third party software costs, and hosting costs directly involved with the development and testing processes. Costs are only capitalised once the commercial feasibility of a project has been established. Any costs related to design, project management and pre-feasibility work are expensed in the year incurred.

Capitalised costs are amortised over a three-year useful life for each project, starting from the year in which the software is ready for its intended use. Periodically we review the amortisation methods, remaining useful lives, and recoverability of capitalised costs, the latter on a project-by-project basis.

2.7 Capitalised data ops costs

Certain of our data ops costs related to the production of the fund performance dataset are capitalised. Capitalised costs include direct expenditures related to the gathering of the performance dataset including all direct labour costs, external costs related to any acquired data, and the cost of any technology directly related to the data gathering and data ingestion process. Costs are only capitalised once the commercial feasibility of a new dataset has been established. Any costs related to pre-feasibility work are expensed in the year incurred.

Capitalised data ops costs are amortised over a three-year useful life, starting from the year in which the performance data was first produced. Periodically we review the amortisation methods, remaining useful lives and recoverability of capitalised costs.

2.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- Over the remaining term of the lease
Office equipment	- 20% straight-line
Motor vehicles	- 20% reducing balance
Computer equipment	- 33% straight-line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.9 Fixed asset investments

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

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.10 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

*Basic financial assets*

Basic financial assets, which include trade and other debtors, accrued income, amounts due from group undertakings and other loans, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

*Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

*Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

*Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.11 Financial instruments (continued)

*Basic financial liabilities*

Basic financial liabilities, including trade and other creditors, accruals and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

*Derecognition of financial liabilities*

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

2.12 Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.14 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

2.15 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are not received.

2.17 Retirement benefits

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss accounts in the year they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expected useful life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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2. Accounting policies (continued)

2.20 Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities of overseas subsidiaries are translated into the Company's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

*Critical judgements*

The following judgements have had the most significant effect on amounts recognised in the financial statements:

*Share based payment charge*

A key estimate has been arrived at by the directors in determining the fair value of the share options granted. The fair value of the share options has been determined using the Black Scholes method for valuation at the date of grant and is the best estimate of the Company share price at that date in the existing marketplace.

## PREQIN LTD

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3. Judgements in applying accounting policies (continued)**

The directors are aware of the impact of the following factors in estimating the fair value of the share options granted and are satisfied that using the existing method of valuation has mitigated these risks to the fullest extent possible:

- Volatility in the Company's share price over the term of the options;
- The likelihood of employees forfeiting the right to exercise the options in the event of leaving employment prior to the options vesting;
- The likelihood of different groups of employees exercising their options at different multiples of the specified exercise price; and
- The determination of the share price used given that the Preqin group is not listed.

***Impairment of investment***

The directors assess the investment balances for impairment at each reporting period, with reference to the value in use of that investment. This requires management to use estimates in respect of future cash flows and an appropriate discounting rate. No impairment has been indicated in the reviews performed by management as at 31 December 2023.

***Bad debt provisions***

Bad debts are provided for using both a general and specific provision. A general provision of 0.5% is provided for on all outstanding debts and specific provisions are applied by the Credit Control team on any debts that have not been paid over 90 days that are deemed to be high risk.

***Development costs***

Management judgement is required in assessing the fair value of development costs capitalised, including the future economic benefit expected to be generated by those assets.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Provision of financial information	<u>143,287,687</u>	<u>114,790,918</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	20,118,140	16,415,862
Rest of Europe	18,774,478	12,053,605
Rest of the world	104,395,069	86,321,451
	<u>143,287,687</u>	<u>114,790,918</u>

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 5. Other operating income

	2023 £	2022 £
Intra-group management charges	<u>14,878</u>	<u>1,194,074</u>

## 6. Operating profit

The operating (loss)/profit is stated after charging/(crediting):

	2023 £	2022 £
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(598,598)	940,161
Operating lease rentals	1,533,766	1,476,980
Fees payable to the Company's auditor for the audit of the Company's financial statements	59,756	54,324
Depreciation of owned tangible fixed assets	619,763	651,083
Profit on disposal of tangible fixed assets	(3,154)	(63)
Amortisation of intangible assets	14,707,553	10,696,878
Share-based payments	<u>862,675</u>	<u>692,953</u>

Statutory information on remuneration for other services provided by the Company's auditors and its associates is given on a consolidated basis in the group accounts for the parent company, Preqin Holding Limited.

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	25,235,369	23,567,941
Social security costs	3,130,120	2,938,536
Cost of defined contribution scheme	1,138,011	1,047,396
Share-based payment charge	862,675	692,953
	<u>30,366,175</u>	<u>28,246,826</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Administration	101	84
Sales, research, commercial and engineering	270	254
	<u>371</u>	<u>338</u>

## 8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,052,377	909,580
Company contributions to defined contribution pension schemes	59,715	50,830
	<u>1,112,092</u>	<u>960,410</u>

During the year retirement benefits were accruing to 3 directors (2022 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £678,641 (2022 - £570,433). The highest paid director was also issued no (2022 - 50,000) growth shares which had a nominal value of £Nil (2022 - £50) and a fair value of £Nil (2022 - £206,110) which will be spread over the three year vesting period.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £34,840 (2022 - £28,250).

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 9. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	3,109,408	494,678
Interest on bank deposits	80,177	18,271
Other interest income	41,365	39,074
	<u>3,230,950</u>	<u>552,023</u>

## 10. Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	16,751,157	10,411,611
Other interest	-	4,090
Foreign exchange (gain)/loss on senior loan	(6,481,062)	14,747,148
	<u>10,270,095</u>	<u>25,162,849</u>

## 11. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	529,431	-
Adjustments in respect of previous periods	(527,222)	205,024
Foreign tax on income for the year	201,845	157,526
<b>Total current tax</b>	<u>204,054</u>	<u>362,550</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(430,401)	(494,792)
Changes to tax rates	-	(156,248)
Adjustments in respect of prior periods	430,401	514,653
<b>Total deferred tax</b>	<u>-</u>	<u>(136,387)</u>
<b>Taxation on profit/loss on ordinary activities</b>	<u>204,054</u>	<u>226,163</u>

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 11. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	7,196,556	(16,923,609)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	1,692,630	(3,215,486)
Effects of:		
Expenses not deductible for tax purposes	1,265,191	1,722,392
Fixed asset differences	6,704	(16,840)
Other permanent differences	(47,475)	(27,396)
Foreign tax credits	201,845	157,526
Adjustments to tax charge in respect of prior periods	(527,222)	205,024
Deferred tax adjustments in respect of prior periods	430,401	514,653
Remeasurement of deferred tax for changes in tax rates	101,232	(156,248)
Movement in deferred tax not recognised	(2,141,029)	1,042,538
Group relief	(778,223)	-
<b>Total tax charge for the year</b>	<b>204,054</b>	<b>226,163</b>

## Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 12. Intangible assets

	Internally developed software £	Fund performance database £	Total £
<b>Cost</b>			
At 1 January 2023	34,043,159	5,402,512	39,445,671
Additions	16,082,979	2,930,783	19,013,762
Disposals	(7,274,760)	(1,461,427)	(8,736,187)
At 31 December 2023	<u>42,851,378</u>	<u>6,871,868</u>	<u>49,723,246</u>
<b>Amortisation</b>			
At 1 January 2023	12,485,142	2,464,304	14,949,446
Charge for the year	12,725,178	1,982,375	14,707,553
Disposals	(7,274,760)	(1,461,427)	(8,736,187)
At 31 December 2023	<u>17,935,560</u>	<u>2,985,252</u>	<u>20,920,812</u>
<b>Net book value</b>			
At 31 December 2023	<u>24,915,818</u>	<u>3,886,616</u>	<u>28,802,434</u>
<i>At 31 December 2022</i>	<u>21,558,017</u>	<u>2,938,208</u>	<u>24,496,225</u>

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 13. Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Office Equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2023	1,088,667	152,600	185,408	1,513,707	2,940,382
Additions	43,362	-	-	95,552	138,914
Disposals	-	(107,130)	-	(7,053)	(114,183)
At 31 December 2023	<u>1,132,029</u>	<u>45,470</u>	<u>185,408</u>	<u>1,602,206</u>	<u>2,965,113</u>
<b>Depreciation</b>					
At 1 January 2023	334,980	63,925	48,838	895,744	1,343,487
Charge for the year	217,257	7,770	33,991	360,745	619,763
Disposals	-	(45,535)	-	(7,053)	(52,588)
At 31 December 2023	<u>552,237</u>	<u>26,160</u>	<u>82,829</u>	<u>1,249,436</u>	<u>1,910,662</u>
<b>Net book value</b>					
At 31 December 2023	<u>579,792</u>	<u>19,310</u>	<u>102,579</u>	<u>352,770</u>	<u>1,054,451</u>
At 31 December 2022	<u>753,687</u>	<u>88,675</u>	<u>136,570</u>	<u>617,963</u>	<u>1,596,895</u>

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
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## 14. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2023	122,891,241
Additions	2,568,458
At 31 December 2023	<u>125,459,699</u>

The additions in the year relate to the acquisition of Preqin Philippines, and an increase in the investment in Preqin BC Limited.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Preqin HK Limited*	Unit 1504 The Center, 99 Queen's Road Central, Hong Kong	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin Pte. Ltd*	One Finlayson Green, #11-02, Singapore 049246	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin, Inc*	One Grand Central Place, 60 E 42nd Street, Suite 630, New York, NY 10165, USA	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin Godo Kaisha*	Shiroyama Trust Tower 9th Floor, 4-3-1 Toranomon, Minato City, Tokyo, Japan, 105- 6009	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin Pty Ltd*	CoSec Consulting, 58 Gipps Street, Collingwood, VIC 3066, Australia	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin GmbH*	Ulmenstraße 37-39, 60325, Frankfurt am Main, Germany	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 14. Fixed asset investments (continued)

## Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Preqin Data Limited*	Unit 1302-B, Level 13 Emirates Financial Towers, PO Box 74735, Dubai, United Arab Emirates	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Preqin BC Limited*	1st Floor, Verde, 10 Bressenden Place, London, SW1E 5DH	Holding company	Ordinary	91.08%
Colmore AG**	c/o DD Immo Service Plus GmbH, Baarerstrasse 75, 6300 Zug, Germany	Holding company	Ordinary	91.08%
Colmore PS Limited**	2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6BN	Provision of financial services	Ordinary	91.08%
Colmore Intermediate Limited**	2 Colmore Square, 38 Colmore Circus Queensway, Birmingham, B4 6BN	Holding company	Ordinary	91.08%
Colmore Inc**	1920 McKinney Ave, Suite 700, Dallas TX 75201, USA	Provision of financial services	Ordinary	91.08%
Preqin India Private Ltd*	No. 20, Vishnu Towers, 4th and 5th Floor, 9th Cross Road, ITI Layout, JP Nagar, Bangalore, Karnataka, India	Provision of financial information on the private equity and alternative assets industry	Ordinary	99.99%
Preqin China Co Ltd*	Room 2371, 23F, Building 16, No. 1 Jianguomen Avenue, Chaoyang District, Beijing, China	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%
Colmore Canada Inc**	199 Bay Street, Suite 4000, Toronto, Canada, M5L 1A9	Provision of financial services	Ordinary	91.08%
Preqin Philippines Inc*	22/F Mega Tower, EDSA corner J. Vargas Avenue, Brgy. Wack- Wack - Greenhills, Mandaluyong City 1555	Provision of financial information on the private equity and alternative assets industry	Ordinary	100%

\* directly held

\*\* indirectly held

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 15. Debtors

	2023 £	2022 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	37,086,181	12,661,116
Other debtors	1,102,962	1,227,732
	<u>38,189,143</u>	<u>13,888,848</u>
	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	31,596,724	27,813,626
Amounts owed by group undertakings	13,338,788	21,292,912
Other debtors	482,509	154,027
Prepayments and accrued income	2,640,961	2,534,386
Corporation tax recoverable	-	1,078,767
Financial instruments (note 19)	-	689,028
	<u>48,058,982</u>	<u>53,562,746</u>

## 16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	5,766,965	4,251,621
Trade creditors	5,984,463	3,891,667
Amounts owed to group undertakings	11,832,529	8,717,824
Corporation tax	283,880	-
Other taxation and social security	1,319,017	1,253,413
Other creditors	755,407	255,998
Accruals	6,383,869	5,475,879
Deferred income	78,949,929	72,739,447
Financial instruments (note 19)	118,930	-
	<u>111,394,989</u>	<u>96,585,849</u>

## PREQIN LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

## 17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Other loans	150,805,939	146,804,968
Deferred income	158,112	361,711
	<u>150,964,051</u>	<u>147,166,679</u>

## 18. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Other loans	5,766,965	4,251,621
<b>Amounts falling due after more than one year</b>		
Other loans	150,805,939	146,804,968
	<u>156,572,904</u>	<u>151,056,589</u>

Included within Other loans are borrowings costs of £4,384,204 (2022 - £5,183,186).

In 2021, the Company borrowed \$178.5m. The debt had a 7-year maturity with interest due at a rate of SONIA+ 500-550bps. In the current year the company borrowed an additional £10.7m (2022 - £3.5m) with the same terms.

All rights, title and interest in the assets of Preqin MC Ltd, Preqin Ltd, Preqin Inc, Preqin Pte Ltd, Preqin HK Ltd, Preqin BC Ltd, Colmore AG, Colmore PS Ltd, Colmore PS Ltd, Colmore Intermediate Ltd and Colmore Inc have been pledged as security for the facility above, until the outstanding facility has been discharged.

## 19. Financial instruments

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 December 2023, the outstanding contracts all mature within 7 months of the year end. The group is committed to sell US \$14,810,650 and receive a fixed sterling amount of £11,500,000.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD. The expected value based on year end exchange rates of the forward-foreign currency contracts is £11,618,930.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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20. Deferred tax

	2023 £	2022 £
At beginning of year	-	(136,387)
Charged to profit or loss	-	136,387
At end of year	-	-

A deferred tax asset of £918,805 (2022 - £3,057,455) arising from trading losses has not been recognised due to uncertainty over the amount and timing of future taxable profits.

21. Provisions

	Dilapidations provision £
At 1 January 2023	206,150
At 31 December 2023	206,150

22. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
639,210 Ordinary shares of £0.10 each	63,921	63,921
293,930 Ordinary B shares of £0.10 each	29,393	29,393
	93,314	93,314

The Ordinary shares have attached to them full voting, dividend and capital distribution rights.

The Ordinary and Ordinary B shares rank pari passu in all respects.

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PREQIN LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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23. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Share-based payment reserve

The share-based payment reserve represents cumulative share-based payment charges.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,138,011 (2022 - £1,047,396). Contributions totalling £308,333 (2022 - £258,580) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	1,264,999	1,251,450
Later than 1 year and not later than 5 years	1,442,498	2,657,706
	<u>2,707,497</u>	<u>3,909,156</u>

The operating lease commitments relate to land and buildings.

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**PREQIN LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**26. Related party transactions**

During the year, the Company made loans totalling £Nil (2022 - £Nil) to a fellow subsidiary of the ultimate parent company. The related party made repayments totalling £Nil (2022 - £Nil). Loan interest accrued at a rate of 3.0% resulting in interest receivable of £11,625 (2022 - £25,973) for the year. In May 2023, the total outstanding loan balance of £1,181,451 was transferred to the Valhalla Ventures Limited loan account, resulting in the balance at year end as £Nil (2022 - £1,169,826) and is included within amounts owed by group undertakings.

During the year, the Company made loans totalling £5,620,780 (2022 - £7,899,360) to Colmore PS Limited, a subsidiary company. Colmore PS Limited made repayments in the year totalling £Nil (2022 - £Nil). During the year £1,237,740 was transferred from operational recharges into the loan. Loan interest is charged at a rate of SONIA + 5.5% and the charge for the year was £1,674,002 (2022 - £454,565). The balance was translated and a foreign exchange loss of £1,147,282 (2022 - gain of £1,196,623) was recognised. The total outstanding loan balance at the year-end was £19,056,518 (2022 - £11,671,278) and is included within amounts owed by group undertakings due after one year. The balance is due for repayment on 31 December 2025.

During the year, the Company also recharged costs totalling £1,156,119 (2022 - £924,946) to Colmore PS Limited in relation to operational costs incurred on their behalf. Repayments in the year totalled £17,110 (2022 - £498,099). During the year, £1,237,740 was transferred to the intercompany loan account. The balance outstanding at the year-end was £344,216 (2022 - £442,947) and is included within amounts owed by group undertakings.

During the year the company made loans totalling £10,323,610 (2022 - £975,517) to Valhalla Ventures Limited, the ultimate parent company. A balance due to the parent company from the ultimate parent company was transferred into the Valhalla Ventures Loan account during the year totalling £4,198,521. A balance due to the company from a fellow subsidiary of the ultimate parent company was transferred into the Valhalla Ventures loan account in May 2023 totalling £1,181,451. Repayments of £Nil (2022 - £Nil) were made during the year. Loan interest is charged at a rate of SONIA + 5.5% and the charge for the year was £1,336,245 (2022 - £14,230). The total balance at year end was £18,029,664 (2022 - £989,837) and is included within amounts owed by group undertakings due after one year.

During the year, amounts totalling £Nil (2022 - £214,874) were loaned to C Knaack, a director of the company. Interest of £4,298 (2022 - £3,179) was charged during the period. The balance outstanding at year end was £222,351 (2022 - £218,053) and is included in other debtors due after one year.

**27. Controlling party**

The company's immediate parent company is Preqin MC Limited, incorporated in England and Wales. The registered office address of Preqin MC Limited is 1st Floor, Verde, 10 Bressenden Place, London, United Kingdom, SW1E 5DH.

The ultimate parent company is Valhalla Ventures Limited, a company incorporated in Jersey.

In the opinion of the directors the ultimate controlling parties are A L M O'Hare and L A O'Hare, by virtue of their shareholding in Valhalla Ventures Limited.

Preqin Holding Limited is the smallest and largest group for which consolidated financial statements are prepared and copies can be obtained from its registered office at 1st Floor, Verde, 10 Bressenden Place, London, United Kingdom, SW1E 5DH.