UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 2)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 17, 2023 (January 3, 2023)

Alvarium Tiedemann Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-40103	92-1552220
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

520 Madison Avenue, 21st Floor
New York, New York — **10022**
(Address of principal executive offices) — **(Zip Code)**

(212) 396-5904
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value per share	ALTI	Nasdaq Capital Market
Warrants, each whole warrant exercisable for one share of Class A common stock at an exercise price of $11.50	ALTIW	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INTRODUCTORY NOTE

On January 9, 2023, Alvarium Tiedemann Holdings, Inc., a Delaware corporation (the "Company"), filed a Current Report on Form 8-K (as amended by Amendment No. 1 on Form 8-K/A filed on February 21, 2023, the "Original Report") to report the closing of the Business Combination and related matters under Items 1.01, 2.01, 2.03, 3.02, 3.03, 4.01, 5.01, 5.02, 5.03, 5.05, 5.06, 7.01 and 9.01 of Form 8-K. This Amendment No. 2 amends the financial statements provided under Items 9.01(a) and 9.01(b) in the Original Report to include (a)(i) the audited consolidated financial statements of TWMH for the years ended December 31, 2022, 2021 and 2020 and the related notes, (ii) the audited combined and consolidated financial statements of the TIG Entities for the years ended December 31, 2022, 2021 and 2020 and the related notes, and (iii) the audited consolidated financial statements of Alvarium for the years ended December 31, 2022, 2021 and 2020 and the related notes, (b)(i) the related Management's Discussion and Analysis of Financial Condition and Results of Operations for TWMH for the year ended December 31, 2022, (ii) the related Management's Discussion and Analysis of Financial Condition and Results of Operations for the TIG Entities for the year ended December 31, 2022, and (iii) the related Management's Discussion and Analysis of Financial Condition and Results of Operations for Alvarium for the year ended December 31, 2022, and (c) the unaudited pro forma condensed combined financial information of the Company and the historical and combined non-GAAP measures of TWMH, the TIG Entities and Alvarium as of and for the year ended December 31, 2022. This Amendment No. 2 does not amend any other item of the Original Report or purport to provide an update or a discussion of any developments at the Company subsequent to the filing date of the Original Report.

Capitalized terms used herein by not defined herein have the meanings given to such terms in the Original Report.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The consolidated financial statements of TWMH for the years ended December 31, 2022, 2021 and 2020 are set forth in Exhibit 99.4 hereto and are incorporated by reference.

The combined and consolidated financial statements of the TIG Entities for the years ended December 31, 2022, 2021 and 2020 are set forth in Exhibit 99.5 hereto and are incorporated by reference.

The combined and consolidated financial statements of Alvarium for the years ended December 31, 2022, 2021 and 2020 are set forth in Exhibit 99.6 hereto and are incorporated by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of the Company as of and for the year ended December 31, 2022 are set forth in Exhibit 99.7 hereto and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description of Exhibit
99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations for TWMH for the year ended December 31, 2022.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the TIG Entities for the year ended December 31, 2022.
99.3	Management's Discussion and Analysis of Financial Condition and Results of Operations for Alvarium for the year ended December 31, 2022.
99.4	Consolidated financial statements of TWMH for the years ended December 31, 2022, 2021 and 2020.
99.5	Combined and consolidated financial statements of the TIG Entities for the years ended December 31, 2022, 2021 and 2020.
99.6	Consolidated financial statements of Alvarium for the years ended December 31, 2022, 2021 and 2020.
99.7	Unaudited pro forma condensed consolidated combined financial information for the year ended December 31, 2022.
99.8	Historical and combined non-GAAP measures of TWMH, the TIG Entities and Alvarium.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ALVARIUM TIEDEMANN HOLDINGS, INC.

Date: April 17, 2023

By:	/s/ Michael Tiedemann
Name:	Michael Tiedemann
Title:	Chief Executive Officer

Exhibit 99.1

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF TWMH

In this section, unless the context otherwise requires, references to "TWMH," "we," "us," and "our" are intended to mean the business and operations of TWMH and its consolidated subsidiaries. The following discussion analyzes the financial condition and results of operations of TWMH and should be read in conjunction with the consolidated audited financial statements and the related notes included in this Current Report on Form 8-K.

Amounts and percentages presented throughout our discussion and analysis of financial condition and results of operations may reflect rounded results in thousands (unless otherwise indicated) and consequently, totals may not appear to sum.

Our Business

We are a premier, full-service multi-family office that is focused on providing financial advisory and related family office services to HNWIs, families, endowments, and foundations. In addition to a wide range of investment capabilities, we offer a full suite of complementary and customized family office services for families seeking comprehensive oversight of their financial affairs. We also operate as a limited purpose trust company, through which we conduct business principally in a trust or fiduciary capacity. We provide highly qualified investment advice and trust services, and objectively allocate all assets to External Strategic Managers around the world. We currently have offices across the United States in: New York, New York; San Francisco, California; Seattle, Washington; Palm Beach, Florida; Dallas, Texas; Bethesda, Maryland; Portland, Oregon; Aspen, Colorado; and Wilmington, Delaware.

Our business is focused on providing wealth management advisory services to clients that are primarily based in the United States. As of December 31, 2022, we administered $29.9 billion in AUA. AUA increased $2.3 billion, or 8%, during the year ended December 31, 2022. As of December 31, 2022, we managed $19.3 billion in AUM, which is a subset of AUA. Of our AUM, 20% is invested by our clients in Impact ("Impact Assets").

TWMH provides tailored, industry-leading expertise in the following areas:

Investment management services for maximizing wealth over the long term by balancing risk/reward through adhering to disciplined risk management and diversification. In order to achieve this goal, we provide:

- Customized plans tailored to specific objectives, return expectations, liquidity parameters, tax constraints, and risk tolerances of our clients;
- Flexible solutions with no preference for active versus passive investments or specific structures;
- Unique opportunities by diligently selecting, analyzing, and monitoring third-party managers that invest globally across all asset classes; and
- Comprehensive integrated reporting with easy online access to account and investment information.

Wealth planning services, which starts with effective planning and requires a thorough understanding of family objectives, assets, and ownership structures and is customized to the client's needs. In addition to administering trusts, our skilled administrators and attorneys, well-versed in the nuances of laws and regulations affecting trusts and taxation, proactively help clients benefit from changes in statutes and evolving case law.

Trust services, including full corporate trustee and executor services through Tiedemann Trust Company based in Delaware. Delaware's innovative trust laws provide substantial opportunities to customize planning structures for individuals and families.

Education and governance services to facilitate thorough education for our clients. The main topics covered in our educational sessions include: investment and asset allocation, tax and estate planning, financial planning and cash flow management, family and enterprise governance, charitable giving, philanthropy and legacy, and transition planning.

Impact Assets reflect total firmwide investments into companies, organizations, or funds with the intention to generate positive social and/or environmental impact alongside financial return. TWMH's definition of impact investment is limited to investments where positive social and environmental impact is a core investment goal. It excludes investments made without the expectation of financial return (philanthropy) and it excludes investments where social and environmental impact are merely a consideration rather than a core investment goal. Most investments designated as impact investments have been subject to TWMH's due diligence framework, which guides our overall approach to impact investing across asset classes, geographies, and sectors. Impact investments that have not been subject to the due diligence framework are typically legacy or client directed impact investments. As of December 31, 2022, Impact Assets was $3.8 billion.

The increase in our Assets Committed to Impact Investing over the past few years has been primarily driven by a transition of wealth holders to Impact Investing combined with our offering of a total portfolio activation across the most relevant themes of environmentally sustainable and socio-economic development.

Extended and Family Office Services ("FOS") provides tailored outsourced family office solutions and administrative services to families, trusts, foundations, and institutions. Our Extended and FOS include:

- Family governance & transition;
- Wealth & asset strategy;
- Trust & fiduciary services;
- CFO and outsourced FO services;
- Philanthropy; and
- Lifestyle & special projects.

We work with clients' existing advisors or coordinate legal, accounting, and tax advice operating in partnership with carefully selected third party advisors and professionals to provide a collegiate approach to obtaining the right advice and support for families and their associated structures.

Fee Structure

Investment Management, Trustee and Family Office Fees

For services provided to each client account, TWMH charges an investment management fee and/or trustee fee typically based on the market value of the account. TWMH also provides Extended Services and FOS to a subset of its larger clients for an additional fee which is typically a flat fee based upon scope of work. Fees are charged to clients either quarterly in arrears or annually in arrears (in cases of certain trust relationships). For assets, for which valuations are not available quarterly, the most recent valuation provided to TWMH is used as the market value for the purpose of calculating its fees. TWMH does not earn any performance or incentive fees.

Market Trends and Business Environment

Global equity markets declined in performance during the year ended December 31, 2022, as supply chain issues, labor shortages, and inflation concerns increased. The S&P 500 Index had negative returns of 19.4% for the year ended December 31, 2022. Outside of the U.S., the MSCI All Country World ex USA Index decreased 16.1% for the year ended December 31, 2022.

Despite vulnerability in the global markets created by Russia's invasion of Ukraine, supply chain issues, labor shortages, and inflation, our business has remained resilient, affirming that our operating and financial model provide solid performance throughout market cycles.

Our investment solutions have a stable base of committed capital enabling us to invest in assets with a long- term focus over different points in a market cycle and to take advantage of market volatility.

The results of our operations, as well as our future performance, are affected by a variety of factors, including the following:

Attractive Opportunity in Environmental, Social, and Governance (ESG) and Impact Investing. We believe we have differentiated capabilities in serving our target clients, particularly with respect to ESG and Impact Investing. Mega trends globally (e.g., the COVID-19 pandemic and climate change) and nationally (e.g., racial injustice) have caused investors to reconsider how to incorporate impact considerations into their investment objectives. Substantial generational wealth transfers have also been a significant contributing factor, for which many new clients and prospects, including millennials, think differently about their wealth and prioritize impact as its primary purpose. These mega trends are evidenced by the rise in AUM of U.S. ESG funds and alternative investment AUM. Addressing these priorities will be essential for our future growth opportunities. Our ability to offer both trust company and Impact Investing capabilities in-house is also differentiated and contributes to client retention as well as growth.

Our Investment Philosophy and Strategy. We believe our results of operations, including the value and future growth of our AUM, are affected by a variety of factors, including conditions in the domestic and global financial markets and the economic and political environments in the United States and overseas. We believe that our disciplined investment philosophy across our distinct but complementary investment strategies contributes to the financial stability of our performance throughout market cycles. We believe we have a deep and broad capability to service clients from providing Outsourced Chief Investment Officer ("OCIO") services to providing extended and family office services and along with a broad and deep suite of services between these two ends of the spectrum. Furthermore, our growing international presence allows us to service transnational clients.

Our Culture and Our People. We recognize that our chief asset is our people. In a human capital business, we believe culture matters and is a defensible asset. Our firm prioritizes a culture of compliance that is rooted in a proper tone at the top of our organization. We have also fostered a culture of service to our clients, recognizing that we succeed when our clients succeed. Our firm values all functions of the firm, and while we seek high performance in our investment strategies, we pursue excellence throughout our company. In addition, we have a culture of diversity, equity, and inclusion. We are a process-driven firm that does not operate on a star system, not relying on any one individual and, therefore, is prepared to deal with issues of contingency and succession. Additionally, we have made significant investments in training, talent, and technology to ensure that we are serving our clients with the highest levels of professionalism. As of December 31, 2022, 53% of our employees were women or ethnically diverse; and of our senior professionals, 37% were women or ethnically diverse employees. We believe there is a significant alignment of interests between our clients, our stakeholders and our firm. As of December 31, 2022, our employees, legacy TWMH board members, other legacy TWMH equity holders and their families had over $684.4 million of their own capital invested alongside our clients, a fact which we believe aligns our interests with those of our clients.

Our Market Opportunity. The independent (non-bank) wealth management industry has seen and continues to witness strong growth driven by wealth creation and generational transfers of wealth, and the equity markets in the United States and globally have been a tailwind. We believe wealth creation and liquidity generation are key factors in the innovation economy. Our size and scale allow us to offer a broad suite of sophisticated wealth management services on a national and growing global basis. The rise of interest in Impact Investing is a tailwind to our strong and growing capabilities in this space.

Managing Business Performance and Key Financial Measures

Non-GAAP Financial Measures

In this Current Report on Form 8-K, we use Adjusted Net Income and Adjusted EBITDA as non-GAAP financial measures. Adjusted EBITDA is derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of net income (loss). Adjusted Net Income represents net income (loss) plus (a) equity-settled share-based payments, (b) transaction-related costs, including professional fees, (c) impairment of equity method investments, (d) change in fair value of investments, (e) one-time bonuses recorded in the income statement and incremental compensation expense associated with the TIH acquisition including the forgiveness of a promissory note, (f) compensation expense related to the Holbein earn-in described in Note 3 "Variable Interest Entities and Business Combinations," (g) other acquisition-related costs, and (h) the change in fair value of the TWMH Partners' payout right. Adjusted EBITDA represents Adjusted Net Income plus (a) interest expense, net, (b) income tax expense (benefits), and (c) depreciation and amortization expense.

We use Adjusted Net Income and Adjusted EBITDA as a non-US GAAP measure to track our performance and assess our ability to service our borrowings. This is a non-US GAAP financial measure supplement and should be considered in addition to and not in lieu of, the results of operations, which are discussed further under "—Components of Consolidated Results of Income" and "Presentation of Certain Financial Information" and are prepared in accordance with US GAAP. For the specific components and calculations of this non-GAAP measure, as well as a reconciliation of these measures to the most comparable measure in accordance with GAAP, see "—Reconciliation of Consolidated GAAP Financial Measures to Certain Non-GAAP Measures."

Operating Metrics

We monitor certain operating metrics that are common to the alternative asset management industry, which are discussed below.

Assets Under Advisement

AUA refers to all assets we manage, oversee, and report on. We view AUA as a core metric to measure our investment and fundraising performance as it includes non-financial assets (e.g., real estate) that are not included in AUM, investment consulting assets (not included in AUM but revenue generating) and other assets that we do not charge fees upon and do not have responsibility for investment execution responsibility.

The tables below present roll forwards of our total AUA for the years ended December 31, 2022, 2021, and 2020, respectively:

($ amounts in millions)

2022	
At January 1:	**$27,558**
New Clients, net	1,555
Cash Flow, net	54
Non-Billable Assets, net	(473)
Market Performance, net	(2,639)
Acquisitions of TIH and Holbein	3,841
AUA at December 31	**$29,896**
Average AUA	**$28,727**

2021	
At January 1:	**$24,788**
New Clients, net	327
Cash Flow, net	(214)
Non-Billable Assets, net	1,412
Market Performance, net	1,245
AUA at December 31	**$27,558**
Average AUA	**$26,173**

2020	
At January 1:	**$21,506**
New Clients, net	1,771
Cash Flow, net	44
Non-Billable Assets, net	464
Market Performance, net	1,003
AUA at December 31	**$24,788**
Average AUA	**$23,147**

Assets Under Management

AUM refers to the assets we manage (assets which we provide investment advice on and have execution responsibility over). Although we have investment responsibility for AUM, we do not bill on all of our AUM (e.g., we have agreements with certain clients under which we do not bill on certain securities or cash or cash equivalents held within their portfolio).

The tables below present roll forwards of our total AUM for the years ended December 31, 2022, 2021, and 2020, respectively:

($ amounts in millions)

2022	
At January 1:	**$21,390**
New Clients, net	1,472
Cash Flow, net	(672)
Market Performance, net	(3,769)
Acquisitions of TIH and Holbein	841
AUM at December 31	**$19,262**
Average AUM	**$20,326**

2021	
At January 1:	**$19,613**
New Clients, net	397
Cash Flow, net	(192)
Market Performance, net	1,572
AUM at December 31	**$21,390**
Average AUM	**$20,502**

2020	
At January 1:	**$16,347**
New Clients, net	2,162
Cash Flow, net	(57)
Market Performance, net	1,161
AUM at December 31	**$19,613**
Average AUM	**$17,980**

As of December 31, 2022, our AUM was approximately $19.3 billion and we had non-discretionary administered assets of $10.6 billion. Therefore, our AUA was $29.9 billion.

Components of Consolidated Results of Income

Revenues

Trustee, Investment Management, and Custody Fees. Investment management, trustee, and extended service and family office fees are recognized over the respective service period based on time elapsed. Investment management fees are based on a contractual percentage of the market value of billable assets in the client's account. Trustee, extended service and family office fees are recognized based on a contractual flat fee, contractual percentage of the market value of billable assets in the client's account, or combination of such fees. Because fees are a fixed rate tied to AUA, changes in revenue are directly related to changes in AUA. As such, the Company's strategy for increasing revenues is to acquire more customers by leveraging existing relationships and contacts, focusing on employee training and development, aligning compensation with new client acquisition, and acquiring other wealth management firms as appropriate.

Client portfolios are constructed with long-term investment horizon and are typically reviewed quarterly, and sometimes monthly. The long-term performance versus the stated targets is typically reviewed against the trailing periods, (e.g., 3-5 years) and the target risk profile is also reviewed periodically to ensure continued appropriateness. If a client is dissatisfied with the performance of their portfolio or any other aspect of the service being provided by the company, they reserve the right to terminate the relationship with TWMH at any point. Generally, clients view a fixed basis point fee structure as an aligned structure, with revenues growing or being reduced directionally along with the asset base of the client portfolio.

Expenses

Compensation and Employee Benefits. Compensation generally includes salaries, bonuses, commissions, long-term deferral programs, benefits, and payroll taxes. Compensation is accrued over the related service period and long-term deferral program awards are paid out based on the various vesting dates.

General, Administrative, and Other Expenses. General, administrative, and other expenses include costs primarily related to professional services, occupancy, travel, communication and information services, depreciation and amortization, distribution costs, and other general operating items.

Other Expense (Income), net. Other non-operating expense (income), net consists of investment and interest rate swap gains and losses and contributions, donations, and dues.

Interest Expense, net. Interest expense, net consists of the interest expense on our outstanding debt, net of interest income.

Income Tax Expense. Income tax expense (benefit) consists of taxes paid or payable by our consolidated operating subsidiaries. Certain subsidiary entities (the "Taxable Partnerships") are treated as partnerships for federal income tax purposes and, accordingly, are not subject to federal and state income taxes, as such taxes are the responsibility of certain direct and indirect owners of the Taxable Partnerships; however, the taxable partnerships are subject to unincorporated business tax ("UBT") and other state taxes. A portion of our operations is conducted through domestic and foreign corporations that are subject to corporate level taxes and for which we record current and deferred income taxes at the prevailing rates in the various jurisdictions in which these entities operate.

Results of Operations

Consolidated Results of Income—the Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

	For the years ended December 31,		Favorable (Unfavorable)	
($ amounts in thousands)	**2022**	**2021**	**$ Change**	**% Change**
Revenues				
Investment management fees	67,156	65,801	1,355	2%
Trustee fees	6,734	6,950	(216)	(3%)
Custody fees	2,982	2,652	330	12%
Other	—	300	(300)	NM
Total Revenues	**76,872**	**75,703**	**1,169**	**2%**
Expenses				
Compensation and benefits	51,234	47,413	(3,821)	(8%)
General, administrative and other expenses	26,957	20,523	(6,434)	(31%)
Total operating expenses	**78,191**	**67,936**	**(10,255)**	**(15%)**
Operating (loss) income	**(1,319)**	**7,767**	**(9,086)**	**NM**
Other expense, net	3,725	3,063	(662)	(22%)
Interest expense, net	427	398	(29)	(7%)
Net (loss) income before income taxes	**(5,471)**	**4,306**	**(9,777)**	**NM**
Income tax expense	(527)	(515)	(12)	(2%)
Consolidated net (loss) income	**(5,998)**	**3,791**	**(9,789)**	**NM**
Net loss attributable to non-controlling interests in subsidiaries	(113)	(148)	(35)	24%
Net (loss) income available to TWMH members	(5,885)	3,939	(9,822)	NM

NM – Not Meaningful

Revenues

The Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

Revenues increased by $1.2 million, or 2%, for the year ended December 31, 2022 compared to the year ended December 31, 2021 due to the acquisitions of Holbein and TIH, an increase in AUA from existing clients, and through investments from new clients. While maintaining existing relationships, TWMH established relationships with new clients in the year ended December 31, 2022 which represented an additional $3.0 million in revenue during the year ended December 31, 2022.

Expenses

The Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

Compensation and Employee Benefits. Compensation and benefits increased by $3.8 million, or 8%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. This increase was primarily driven by a $3.8 million increase in payroll expenses due to increased headcount primarily from personnel hired in 2021 and 2022, the consolidation of TIH and Holbein payroll expenses, and compensation recognized in connection with the Holbein earn-in. This increase was also driven by a $0.4 million increase in compensation related to the delayed share purchase agreement, $0.9 million increase due to shareholder units forgiveness of debt, offset by a $1.3 million decrease in restricted units compensation expense.

General, Administrative, and Other Expenses. General, administrative, and other expenses increased by $6.4 million, or 31%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was driven by a variety of factors including a $1.2 million increase in travel and entertainment costs, $1.3 million increase in technology costs, $1.0 million increase in occupancy costs, $0.3 million increase in depreciation and amortization, and $2.5 million increase in professional fees from the year ended December 31, 2021 to the year ended December 31, 2022. Of the $9.4 million in professional fees for the year ended December 31, 2022, $8.5 million were for transaction expenses related to the Business Combination.

Other Expense, net. Other non-operating expense, net, increased by $0.7 million, or 22%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily driven by an increase of $3.7 million in the fair value of the payout right, offset by a $3.1 million change in income from equity method investments, due to a loss of $3.1 million for the year ended December 31, 2021 as compared to no income/loss for the year ended December 31, 2022. Other non-operating expense, net was impacted by a lesser extent to changes in the fair value of TWMH's interest rate swap from $0.2 million income for the year ended December 31, 2021 to $0.3 million income for the year ended December 31, 2022, as detailed in "Note 8. Fair value measurements" and "Note 15. Accounting for Derivative Instruments and Hedging Activities" to our Consolidated Financial Statements.

Interest Expense, net. Net interest expense was essentially flat for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Income Tax Expense. Income tax expense was essentially flat for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Net Loss Attributable to Noncontrolling Interest. Net loss attributable to noncontrolling interests in the current nine-month period primarily represents the allocation to common shareholders of IWP for their 25% pro rata share of IWP's net loss. The noncontrolling interest represents an approximately 75% interest in IWP.

Results of Operations

Consolidated Results of Income—the Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

	For the year ended December 31,		Favorable (Unfavorable)	
($ amounts in thousands)	**2021**	**2020**	**$ Change**	**% Change**
Revenues				
Investment management fees	65,801	55,595	10,206	18%
Trustee fees	6,950	5,577	1,373	25%
Custody fees	2,652	3,217	(565)	(18%)
Other	300	—	300	NM
Total Revenues	**75,703**	**64,389**	**11,314**	**18%**
Expenses				

Compensation and benefits	47,413	42,164	(5,249)	(12%)
General, administrative and other expenses	20,523	13,461	(7,062)	(52%)
Total operating expenses	**67,936**	**55,625**	**(12,311)**	**(22%)**
Operating income	**7,767**	**8,764**	**(997)**	**(11%)**
Other expense (income), net	3,063	897	(2,166)	(241%)
Interest expense. net	398	384	(14)	(4%)
Net income before income taxes	**4,306**	**7,483**	**(3,177)**	**(42%)**
Income tax expense	(515)	(497)	(18)	(4%)
Consolidated net income	**3,791**	**6,986**	**(3,195)**	**(46%)**
Net income (loss) attributable to non-controlling interests in subsidiaries	(148)	—	148	NM
Net income available to TWMH members	3,939	6,986	(3,047)	(44%)

Revenues

The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Revenues increased by $11.3 million, or 18%, for the year ended December 31, 2021 compared to the year ended December 31, 2020 due to an increase in AUM, AUA from existing clients, and through investments from new clients. While maintaining existing relationships, TWMH established relationships with new clients in 2021, which represented an additional $3.0 million in revenue during the year ended December 31, 2021.

Expenses

The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

Compensation and Employee Benefits. Compensation and benefits increased by $5.2 million, or 12%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. This increase was primarily driven by $5.5 million related to restricted stock unit expense, compared to $1.1 million for the same period last year. This variance is primarily due to $2.5 million of additional restricted stock units issued in April 2021 that vested immediately (in anticipation of the Transaction), whereas units issued in prior years vested over 3 to 5-year periods.

General, Administrative, and Other Expenses. General, administrative, and other expenses increased by $7.1 million, or 52%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily driven by an increase in professional fees from $2.0 million for the year ended December 31, 2020 to $6.9 million for the year ended December 31, 2021, of which $4.6 million were for transaction expenses related to the Business Combination.

Other Expense (Income), net. Other non-operating expense (income), net, increased by $2.2 million, or 241%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase in other expenses was primarily driven by the $2.4 million other-than-temporary impairment of the Company's equity method investments as detailed in "Note 6. Equity Method Investments" to our Consolidated Financial Statements. This change was partially offset by investment gains and changes in the fair value of TWMH's interest rate swap, as detailed in "Note 5. Investments at fair value" and "Note 15. Accounting for Derivative Instruments and Hedging Activities" to our Consolidated Financial Statements.

Interest Expense, net. Net interest expense was essentially flat for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Income Tax Expense. Income tax expense was essentially flat for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Net Loss Attributable to Noncontrolling Interest. Net loss attributable to noncontrolling interests in the current year primarily represents the allocation to common shareholders of IWP for their 25% pro rata share of IWP's net loss. The noncontrolling interest represents an approximately 75% interest in IWP.

Reconciliation of Consolidated GAAP Financial Measures to Certain Non-GAAP Measures

We use Adjusted Net Income and Adjusted EBITDA as non-US GAAP measures to assess and track our performance. Adjusted Net Income and Adjusted EBITDA as presented in this Current Report on Form 8-K are supplemental measures of our performance that are not required by, or presented in accordance with, US GAAP. For more information, see "Presentation of Certain Financial Information." The following table presents the reconciliation of net income as reported in our Consolidated Statements of Income to Adjusted Net Income and Adjusted EBITDA:

	For the Year Ended December 31,		
($ amounts in thousands)	**2022**	**2021**	**2020**
Adjusted Net Income and Adjusted EBITDA			
Net income before taxes	$ (5,471)	$ 4,306	$ 7,483
Equity settled share based payments P&L[(a)(f)]	4,223	5,532	1,145
Transaction expenses[(b)]	8,467	4,633	—
One-time impairment of equity method investment [(c)]	—	2,364	—
Change in fair value of (gains) / losses on investments [(d)]	(247)	(2)	266
One-time bonuses [(e)]	1,019	—	2,200
Holbein compensatory earn-in [(f)]	1,858	—	—
Acquisition-related costs [(g)]	643	—	—
TWMH Partners' payout right [(h)]	3,662	—	—
Adjusted income before taxes	14,154	16,833	11,094
Adjusted income tax expense	(1,312)	(1,016)	(641)
Adjusted Net Income	12,842	15,817	10,453
Interest expense, net	427	398	384
Income tax expense	527	515	497
Adjusted income tax expense less income tax expense	785	501	144
Depreciation and amortization	2,339	2,052	1,914
Adjusted EBITDA	$16,920	$19,283	$13,392

(a) Add-back of non-cash expense related to the 2015, 2019, 2020 and 2021 restricted unit awards.
(b) Add-back of transaction expenses related to the Business Combination, including professional fees and transaction bonuses.
(c) Related to an other-than-temporary impairment of the Tiedemann Constantia AG equity method investment which is exclusive of equity method investment net losses.
(d) Represents the change in unrealized gains/losses related primarily to the interest rate swap.
(e) The 2020 amount is related to a one-time bonus payment made to certain members. The 2022 amount is related to incremental compensation expense associated with the TIH acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH including the forgiveness of a promissory note.
(f) Add back of cash portion of the compensatory earn-ins related to the Holbein acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH. The $3.7 million of compensatory earn-ins is settled in 50% equity and 50% cash. Add back of equity portion of compensatory earn-ins of $1.9 million is included in the equity settled share-based payments combined EBITDA adjustment.
(g) Related to professional fees associated with an acquisition target. These costs are not related to the Business Combination.
(h) Represents the change in the fair value of certain TWMH Partners' payout right related to the Business Combination.

Liquidity and Capital Resources

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing, and financing activities. Management believes that we are well-positioned, and our liquidity will continue to be sufficient for its foreseeable working capital needs, contractual obligations, distribution payments and strategic initiatives.

Sources and Uses of Liquidity

Our primary sources of liquidity are (1) cash on hand, (2) cash from operations, including management fees, which are generally collected quarterly, and (3) net borrowing from our credit facilities. As of December 31, 2022, our cash and cash equivalents were $7.1 million, and we had $21.2 million of debt outstanding and availability under our credit facilities of $1.5 million. Our ability to draw from the credit facilities is subject to minimum management fee and other covenants. We believe that these sources of liquidity will be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business and under the current market conditions for the foreseeable future. Market conditions resulting from supply chain difficulties related to the COVID-19 pandemic as well as inflation may impact our liquidity. Cash flows from management fees may be impacted by a slowdown or declines in deployment, declines, or write downs in valuations, or a slowdown or negatively impacted fundraising. Declines or delays and transaction activity may impact our product distributions and net realized performance income which could adversely impact our cash flows and liquidity. Market conditions may make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms.

We expect that our primary liquidity needs will continue to be to (1) provide capital to facilitate the growth of our existing wealth-management businesses, (2) provide capital to facilitate our expansion into businesses that are complementary to our existing wealth-management businesses as well as other strategic growth initiatives, (3) pay operating expenses, including cash compensation to our employees, (4) fund capital expenditures, (5) service our debt, (6) pay income taxes, and (7) make distribution payments to our members' equity holders in accordance with our distribution policy.

In the normal course of business, we expect to pay distributions that are aligned with the expected changes in our fee related earnings. If cash flow from operations were insufficient to fund distributions over a sustained period of time, we expect that we would suspend or reduce paying such distributions. In addition, there is no assurance that distributions would continue at the current levels or at all.

Our ability to obtain debt financing provides us with additional sources of liquidity. For further discussion of financing transactions occurring in the current period and our debt obligations, see "—Cash Flows" within this section and "Note 14. Term Notes, Line of Credit & Promissory Notes" to our audited Consolidated Financial Statements included in this Current Report on Form 8-K.

Cash Flows

The Year ended December 31, 2022 Compared to the Year ended December 31, 2021

The following tables and discussion summarize our Consolidated Statements of Cash Flows by activity attributable to TWMH. Negative amounts represent a net outflow or use of cash.

	For the years ended December 31,		Favorable (Unfavorable)	
($ amounts in thousands)	**2022**	**2021**	**$ Change**	**% Change**
Net cash provided by operating activities	6,858	18,886	(12,028)	(64%)
Net cash used in investing activities	(7,229)	(2,485)	(4,744)	(191%)
Net cash used in financing activities	(345)	(11,928)	11,583	97%
Effect of exchange rate on cash	(193)	—	(193)	NM
Net decrease in cash and cash equivalents	**(909)**	**4,473**	**(5,382)**	**NM**

NM—Not Meaningful

Operating Activities

Cash provided by TWMH's operating activities decreased by $12.0 million from $18.9 million for the year ended December 31, 2021 to $6.9 million for the years ended December 31, 2022. The decrease in net cash flows provided by operating activities was primarily due to a $9.8 million decrease in net income (loss) from $3.8 million of net income for the year ended December 31, 2021, to $6.0 million net loss for the year ended December 31, 2022. The decrease in net cash flows provided by operating activities was also due to changes in operating assets and liabilities, which changed by $1.1 million from a $4.8 million source of cash during the year ended December 31, 2021 to a $3.7 million source of cash during the year ended December 31, 2022. The decrease in cash provided by operating activities was also due to certain non-cash charges to net income such as a $3.1 million decrease in share-based compensation expense from $5.5 million during the year ended December 31, 2021 to $2.4 million for the year ended December 31, 2022. The decrease in cash provided by operating activities was also due to a decrease of $3.1 million in income from equity method investments, from a $3.1 million loss for the year ended December 31, 2021 to no loss for the year ended December 31, 2022. The decrease in cash provided by operating activities was offset by an increase of $3.7 million in fair value of the payout right, from a $0 fair value for the year ended December 31, 2021 to a $3.7 fair value for the year ended December 31, 2022, as well as an increase of $0.6 million due to forgiveness of debt.

Our increasing working capital needs reflect the growth of our business. We believe that our ability to generate cash from operations, as well as the aggregate $22.6 million capacity under all our credit facilities, including our $15.5 million Line of Credit, of which $1.5 million remains undrawn at December 31, 2022, provides us with the necessary liquidity to manage short-term fluctuations in working capital and to meet our short-term commitments.

Investing Activities

Net cash used in TWMH's investing activities increased by $4.7 million from $2.5 million for the year ended December 31, 2021 to $7.2 million for the year ended December 31, 2022. This increase of net cash used in investing activities was primarily due to the $8.1 million cash payment for the acquisition of Holbein in 2022. This increase in net cash used was offset by a decrease of $1.2 million of cash used for the purchase of equity method investments, a decrease of $0.9 million of cash used for purchases of investments, $0.8 million decrease in loans to members, and a $0.2 million increase in cash provided by sales of investments, all as compared to the prior year.

Financing Activities

Net cash used by TWMH's financing activities decreased by $11.6 million from $12.0 million for the year ended December 31, 2021 to $0.3 million for the year ended December 31, 2022. The decrease in net cash used was primarily driven by a $7.0 million decrease in payments on debt and promissory notes and a $5.8 million increase of cash inflows from borrowings on debt, offset by an increase in member distributions of $1.3 million.

Cash Flows

The Year ended December 31, 2021 Compared to the Year ended December 31, 2020

The following tables and discussion summarize our Consolidated Statements of Cash Flows by activity attributable to TWMH. Negative amounts represent a net outflow or use of cash.

	For the year December 31,		Favorable (Unfavorable)	
($ amounts in thousands)	**2021**	**2020**	**$ Change**	**% Change**
Net cash provided by operating activities	18,886	7,911	10,975	139%
Net cash used in investing activities	(2,485)	(7,604)	5,119	67%
Net cash used in financing activities	(11,928)	(722)	(11,206)	NM
Net increase in cash and cash equivalents	**4,473**	**(415)**	**4,888**	**NM**

NM—Not Meaningful

Operating Activities

Cash provided by TWMH's operating activities increased by $11.0 million, or 139%, from $7.9 million for the year ended December 31, 2020 to $18.9 million for the year ended December 31, 2021. The increase in net cash flows provided by operating activities was primarily due to changes in operating assets and liabilities, which changed from a $2.8 million use of cash during the year ended December 31, 2020 to a $4.6 million source of cash during the year ended December 31, 2021, as well as the effects of certain non-cash charges to net income.

Our increasing working capital needs reflect the growth of our business. We believe that our ability to generate cash from operations, as well as the aggregate $24.2 million overall capacity under all our credit facilities, including our $14.5 million Line of Credit, of which $12.5 million remains undrawn, provides us with the necessary liquidity to manage short-term fluctuations in working capital and to meet our short-term commitments.

Investing Activities

Net cash used in TWMH's investing activities for the year ended December 31, 2021 decreased by $5.1 million, or 67% from $7.6 million for the year ended December 31, 2020 to $2.5 million for the year ended December 31, 2021. This decrease of net cash used in investing activities was primarily as the result of the payment of contingent consideration of $6.4 million in 2020 pursuant to the 2017 acquisition of Threshold Group.

Financing Activities

Net cash used in TWMH's financing activities increased by $11.2 million from $0.7 million for the year ended December 31, 2020 to $11.9 million for the year ended December 31, 2021. The increase in net cash used was primarily driven by the $7.3 million year-over-year decrease of cash inflows from borrowings on term notes and lines of credit, and by a $5.3 million increase in member distributions year-over-year. These increases were offset in part by a $1.1 million decrease in cash used for repayment of the notes.

Financial Condition and Liquidity of TWMH Following the Business Combination

We believe that following the Closing of the Business Combination, the sources of liquidity discussed above will continue to be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business, under current market conditions, for the foreseeable future. We intend to use a portion of our available liquidity to pay cash distributions on a quarterly basis in accordance with our distribution policies. We will continue to explore strategic financing and share buyback opportunities in the ordinary course of business. We expect this to include potential financings and refinancings of indebtedness, through the issuance of debt securities or otherwise, to optimize our liquidity and capital structure.

Future Sources and Uses of Liquidity

In the normal course of business, we may engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications, and potential contingent repayment obligations. We do not have any off-balance sheet arrangements that would require us to fund losses or guarantee target returns to clients.

Contractual obligations

TWMH's contractual obligations under operating lease arrangements (net of sublease income) total $11.6 million, of which $2.9 million net is due within the next 12 months. Additionally, TWMH has minimum printer, computer, and other non-cancelable technology leases totaling $0.2 million, of which less than $0.1 million will become due within the next 12 months.

Indemnification Arrangements

Consistent with standard business practices in the normal course of business, we enter into contracts that contain indemnities for our affiliates and our employees, officers and directors, persons acting on our behalf or such affiliates, and third parties. The terms of the indemnities vary from contract to contract and the maximum exposure under these arrangements, if any, cannot be determined and has neither been recorded in the above table nor in our Consolidated Financial Statements. As of December 31, 2022, we have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Litigation

From time to time, we may be named as a defendant in legal actions in the ordinary course of business. Although there can be no assurance of the outcome of such legal actions, in the opinion of management, we do not have any potential liability related to any current legal proceeding or claim that would individually or in the aggregate materially affect its results of operations, financial condition, or cash flows.

Related Party Transactions

We lease office space from a related party for which we paid $1.4 million and $1.1 million in rent payments during the years ended December 31, 2022 and 2021, respectively, which are included in occupancy expense on the Consolidated Statements of Income.

We also provide loans to certain of our members equal to a portion of estimated Federal, State, and Local taxes owed by such members on issuances of Class B units to members. The total amount of these loans outstanding at December 31, 2021 was $1.7 million, which were drawn on February 15, 2021 and accrued interest commenced on February 15, 2021. In connection with the April 2021 issuance, certain members of TWMH were offered forgivable promissory notes equal to a portion of the estimated Federal, State, and Local taxes owed by such members in relation to the issuance. On April 15, 2021, promissory notes totaling $1.1 million were issued by TWMH. On May 1, 2022, the Company provided $0.3 million in promissory notes to certain employee members of the Company. For the year ended December 31, 2022, the Company forgave $0.3 million of principal debt and accrued interest on the loans. The total amount of these loans outstanding at December 31, 2022 was $1.2 million. Additionally, the Company forgave a $0.6 million promissory note due from a former TIH shareholder.

Critical Accounting Policies and Estimates

We prepare our Consolidated Financial Statements in accordance with U.S. GAAP. In applying many of these accounting principles, we need to make assumptions, estimates, and/or judgments that affect the reported amounts of assets, liabilities, revenues, and expenses in our Consolidated Financial Statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates, and/or judgments, however, are both subjective and subject to change, and actual results may differ from our assumptions and estimates. Actual results may also differ from our estimates and judgments due to risks and uncertainties and changing circumstances, including uncertainty in the current economic environment due to the COVID-19 pandemic. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. For a summary of our significant accounting policies and estimates, see "Note 2. Summary of Significant Accounting Policies," to our Consolidated Financial Statements included in this Current Report on Form 8-K.

Revenue Recognition

We recognize revenue in accordance with ASC 606. Revenue is recognized in a manner that depicts the transfer of promised goods or services to customers and for an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We are required to identify our contracts with customers, identify the performance obligations in a contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, variable consideration is included only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Consolidation

We consolidate entities in which we have a controlling financial interest. We have a controlling financial interest when we own a majority of the voting rights of a voting rights entity (“VRE”) or are the primary beneficiary of a variable interest entity (“VIE”). Assessing whether an entity is a VRE or a VIE involves judgment and analysis on an entity-by-entity basis. Factors considered in this assessment include the entity’s legal organization, the entity’s capital structure and equity ownership, the rights of equity investment holders, the Company’s contractual involvement with and economic interest in the entity and any related party or de facto agent implications of the Company’s involvement with the entity. Entities that are determined to be VREs are consolidated if the Company can exert control over the financial and operating policies of the investee, which generally exists if there is greater than 50% voting interest. Entities that are determined to be VIEs are consolidated if the Company is the primary beneficiary of the entity. The Company is deemed to be the primary beneficiary of a VIE if it has the power to direct the activities that most significantly impact the entity’s economic performance and has the obligation to absorb losses or the right to receive benefits that potentially could be significant to the VIE. There is judgment involved this assessment. During the first quarter of 2022, the Company made investments that resulted in the consolidation of TIH and Holbein. These investments were accounted for as a business combination under ASC 805.

Income Taxes

For tax purposes, we have historically been treated as a flow-through entity with respect to our U.S. operations. As a result, we have not been subject to U.S. federal and state income taxes (although our corporate subsidiaries are subject to federal and state income tax for subsidiary corporations). The provision for income taxes in our historical Consolidated Statements of Income consists of federal, state, local and foreign income taxes. Following the Business Combination, we will be subject to U.S. federal and state income taxes, in addition to local and foreign income taxes, with respect to our allocable share of any taxable income generated by our limited liability company that will flow through to its interest holders, including us.

Taxes are accounted for using the asset and liability method of accounting. Under this method, deferred taxes assets and liabilities are recognized for the expected future tax consequences of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using the tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period when the change is enacted.

U.S. GAAP requires us to recognize tax benefits in an amount that is more-likely-than-not to be sustained by the relevant taxing authority upon examination. We analyze our tax filing positions in all of the U.S. federal, state, local and foreign tax jurisdictions where we are required to file income tax returns, as well as for all open tax years in these jurisdictions. If, based on this analysis, we determine that uncertainties in tax positions exist that do not meet the minimum threshold for recognition of the related tax benefit, a liability is recorded in the Consolidated Financial Statements. We recognize interest and penalties, if any, related to unrecognized tax benefits as general, administrative and other expenses in the Consolidated Statements of Income. If recognized, the entire amount of previously unrecognized tax positions would be recorded as a reduction in the provision for income taxes.

Deferred tax assets are reduced by a valuation allowance when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets is dependent on our ability to generate future taxable income. When evaluating the realizability of deferred tax assets, all evidence— both positive and negative—is considered. This evidence includes, but is not limited to, expectations regarding future earnings, future reversals of existing temporary tax differences, and tax planning strategies.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties under GAAP. We review our tax positions quarterly and adjust our tax balances as new information becomes available.

Quantitative and Qualitative Disclosures About Market Risk

Our primary exposure to market risk is related to our role as wealth management advisor to our investment products and the sensitivity to movements in the market value of their investments, including the effect on management fees and investment income. Even though the effects of COVID-19 on the financial markets has largely subsided and most countries have reduced or eliminated COVID-19-related restrictions, an increase in cases or the introduction of novel variants may continue to pose risks to financial markets.

Market Risk

The market price of investments may significantly fluctuate during the period of investment, should their value decline, our fees may decline accordingly. Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions, which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. It may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Our credit orientation has been a central tenet of our business across our investment strategies. Our investment professionals benefit from our independent research and relationship networks and insights from our portfolio of active investments. We believe the combination of high-quality proprietary pipeline and a consistent, rigorous approach to managing investments across our strategies has been, and we believe will continue to be, a major driver of our strong risk-adjusted returns and the financial stability and predictability of our income.

Interest Rate Risk

As of December 31, 2022, we had $14.1 million and $5.8 million of borrowings outstanding under the revolving facilities and term loan, respectively.

In November 2021, we amended our $7.5 million revolving line of credit into a restated $14.5 million revolving line of credit. The interest rate on the line of credit was amended to the Daily Bloomberg Short-Term Bank Yield Index rate (“BSBY”) plus 1.50%. Our unused commitment fee is 0.15% per annum. Currently, the term loan bears interest calculated based on variable one-month LIBOR rate plus 1.50%, subject to a LIBOR floor. We entered into an interest rate swap agreement in 2020, which converted the variable rate to a fixed rate of 2.60% on borrowings under the term loan. The interest rate swap is not accounted for under hedge accounting; therefore, changes in the value of the swap are recognized in earnings.

In March 2022, the Company’s Revolving Line of Credit maturity date was extended to March 13, 2023 and its borrowing capacity increased from $14.5 million to $15.5 million.

We estimate that in the event of an increase in LIBOR, there would be no impact to our interest expense related to the term loan due to our interest rate swap agreement. However, for any increase to the BSBY rate related to the revolving facilities, we would be subject to such increased variable rate and would expect our interest expense to increase commensurately.

On July 27, 2017, the United Kingdom’s FCA, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021, which was later extended to June 2023. Potential changes, or uncertainty related to such potential changes, may adversely affect the market for LIBOR-based securities or the cost of our borrowings.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting to reputable financial institutions the counterparties with which we enter into financial transactions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets. We seek to mitigate this exposure by monitoring the credit standing of these financial institutions.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE TIG ENTITIES

In this section, unless the context otherwise requires, references to "TIG Entities," "we," "us," and "our," are intended to mean the business and operations of the TIG Entities and their consolidated subsidiaries. The following discussion analyzes the financial condition and results of operations of the TIG Entities and should be read in conjunction with the Combined and Consolidated audited Financial Statements and the related notes included in this Current Report on form 8-K.

Amounts and percentages presented throughout our discussion and analysis of financial condition and results of operations may reflect rounded results in thousands (unless otherwise indicated) and consequently, totals may not appear to sum. Certain prior period amounts have been reclassified to conform to the current year presentation.

Our Business

We are an alternative investment management firm that manages, in aggregate with the External Strategic Managers in which we have made strategic investments, $8.3 billion in AUM as of December 31, 2022. Our internal strategies (i.e., TIG Arbitrage) manage $3.0 billion and the External Strategic Managers have a combined $5.3 billion in AUM. External Strategic Managers are those managers in which the TIG Entities have made strategic investments, and the strategies of these managers include Real Estate Bridge Lending Strategy, Asian Credit and Special Situations, and European Equities. In total, the foregoing AUM figures reflect an increase of 35% and 0%, since December 31, 2020 and December 31, 2021, respectively. Average AUM increased 15% for the year ended December 31, 2022 compared to the year ended December 31, 2021 and 23% for the year ended December 31, 2021 compared to the year ended December 31, 2020. The foregoing increases in AUM include the impact of new investments in the European Equities and Asian Credit and Special Situations External Strategic Managers of $885 million and $943 million during the year ended December 31, 2020 and December 31, 2021, respectively.

We are focused on partnering with global alternative asset managers in order to unlock and achieve growth from both an asset and operational perspective. We have a strong track record of identifying managers that focus on sourcing uncorrelated investment opportunities in both public and private markets and then utilizing our long- standing operating platform to assist managers with growth.

Our business is focused on providing investment advisory services to institutional investors and high net worth individuals globally under the following investment strategies:

- Event-Driven Global Merger Arbitrage (TIG Arbitrage): TIG Arbitrage is our event-driven strategy based in New York. This strategy focuses on 0-to-30-day events within the merger process. The investment team employs deep research on each situation in the portfolio with a focus on complex, hostile, up-for-sale situations where our primary research work can drive uncorrelated alpha. Our research and investment process are focused on hard catalyst events and is not dependent on deal flow. The strategy has $3.0 billion AUM as of December 31, 2022.
- Real Estate Bridge Lending Strategy (External Strategic Manager): The External Strategic Manager that operates a real estate bridge lending strategy is based in Toronto and focuses on complex construction, term, and pre-development bridge loans throughout North America. Our manager's experience with mortgages dates to the 1950s with real estate law and entered the mortgage-lending business in the 1960s. The manager converted its individual mortgage syndication business to a commingled fund in early 2006. The fund's diversified portfolio primarily consists of first lien mortgages with little to no structural leverage. The team places an emphasis on risk management via rigorous underwriting consisting of borrower analysis, vetting, and extensive monitoring across all major real estate asset classes. The strategy has $2.2 billion AUM as of December 31, 2022.

- European Equities (External Strategic Manager): The External Strategic Manager focused on European equities is based in London. Founded in 2001, this manager is actively traded and absolute return-oriented with a focus on financials, cyclicals, and mining and minerals. The strategy is market agnostic and runs with a variable net exposure, equally comfortable net long or net short. The strategy has $1.6 billion AUM as of December 31, 2022.
- Asian Credit and Special Situations (External Strategic Manager): The External Strategic Manager that operates an Asia Pacific credit and special situations strategy is based in Hong Kong and launched in 2013. The portfolio manager has more than 25 years of experience investing in performing, stressed, and distressed bonds and loans throughout the Asia Pacific region. We believe their on-the-ground expertise and deep local network make them well-positioned to capitalize on an under-researched and inefficient market with limited competition and attractive levels of stressed and distressed activity. The strategy has $1.5 billion AUM as of December 31, 2022. The acquisition of the investment closed on December 31, 2020; however, the revenue share was effective as of January 1, 2021, and therefore, Asian Credit and Special Situations had no impact on the results of operations for the years ended December 31, 2020.

Fee Structure

TIG Arbitrage and the External Strategic Managers earn management fees, and incentive fees tied to performance. We have a 50.63% profit share in TIG Arbitrage, through which we directly receive management fees and incentive fees from the underlying funds and accounts. For more information regarding the profit-share participation, refer to “Business of Alvarium Tiedemann—Fund Management Fees.”

Management fees and incentive fees earned from our economic interests with External Strategic Managers are earned through our profit or revenue sharing arrangements with the External Strategic Managers. Our economic interests in the External Strategic Managers are as follows:

- Real Estate Bridge Lending Strategy – 20.92% profit share;
- European Equities – 19.99% revenue share; and
- Asian Credit and Special Situations – 9.00% revenue share.

The following describes our fee structure:

- Management Fees. TIG Arbitrage and the External Strategic Managers are entitled to management fees as compensation for administrating and managing the affairs of the funds and separately managed accounts. Management fees are normally received in advance each month or quarter and recognized as services are rendered. The management fees are calculated using approximately 0.75% to 1.50% of the net asset value of the funds’ underlying investments.
- Incentive Fees. TIG Arbitrage and certain of the External Strategic Managers are entitled to receive incentive fees if certain performance returns have been achieved as stipulated in our governing documents. Incentive fees are normally received and recognized annually and are calculated using approximately 20% of net profit / income, with only select funds with hurdle rates. We recognize our incentive fees when it is no longer probable that a significant reversal of revenue will occur. Our incentive fees are not subject to clawback provisions.
- Interest and Other Income. Other investment gain includes our unrealized and realized gains and losses on our principal investments.
- Also included within Management Fees and Incentive Fees are income from such fees from our profit and revenue-share investments in External Strategic Managers.

Capital Invested In and Through Our Funds

To further align our interests with those of investors in our products, as of December 31, 2022, our executives and employees had invested over $132.3 million in the TIG Entities' products across our platform.

Market Trends and Business Environment

We have observed a trend of consolidation across investment managers and subsequently an increased demand from allocators to gain larger exposure with fewer managers. As a result, allocators look for holistic solutions that can address various structural and/or investment needs. Our length of operating history and exposure to various strategies and investor bases throughout the years has given us an advantage in creating bespoke client solutions to meet complex needs across a global client base. This trend continues to accelerate and we believe that our experience in customizing solutions for our clients puts us in a strong posture for the future.

Furthermore, we have seen an increased need for client advisory and intermediaries to provide niche, difficult-to-access, and sometimes complex investment offerings in order to differentiate their business. Our focus on mid-sized specialist managers delivers the stability and credibility of a 40+ year operating organization, while bringing to market the unique alpha solutions they desire. Our ability to maintain a competitive advantage is complimented by the fact that we are focused on a segment of the market that is often overlooked by our competitors.

One of the major drivers of the aforementioned industry consolidation is the enormous cost associated with starting and running an independent small and medium size investment firm. The barrier to entry today is large with ongoing regulatory, legal, and infrastructure costs. Since inception, we have sourced, supported, and helped money managers build their fund businesses, using a centralized platform of services proven to allow portfolio managers to focus exclusively on their investment strategy. The synergies created as an infrastructure partner can help reduce the frictional costs of running a medium sized organization. Furthermore, we are a proven growth partner with a global sales and marketing presence. The TIG Entities have successfully raised capital from various regions globally and are critically focused on understanding the geographical nuances of various investor types.

From a macro perspective, we believe the low interest rate environment following the most recent global financial crisis has resulted in increasing demand for yield, and differentiated investment activities that diversify investment portfolios. The search for yield has resulted in growing allocations to alternative assets, as investors seek to meet their return objectives.

We believe that our disciplined investment philosophy across our distinct but complementary investment strategies contributes to the stability of our performance throughout market cycles. Our products have a stable base of permanent or long-term capital enabling us to invest in assets with a long-term focus over different points in a market cycle and to take advantage of market volatility. Our strategies are uncorrelated in nature to overall capital markets and seek to deliver consistent returns regardless of the market environment. Given that our strategies are narrow in scope and nimble in nature, we believe we have the flexibility to capitalize on overall market volatility. However, our results of operations, including the market value of our AUM, are affected by a variety of factors, including conditions in the global financial markets and the economic and political environments.

Global equity markets declined in performance during the year ended December 31, 2022, as supply chain issues, labor shortages, and inflation concerns increased. The S&P 500 Index had negative returns of 19.4% for the year ended December 31, 2022. Outside of the U.S., the MSCI All Country World ex USA Index decreased 16.1% for the year ended December 31, 2022. Private equity market activity remained robust throughout the year ended December 31, 2022.

In addition to the aforementioned macroeconomic and sector-specific trends, we believe our future performance will be influenced by the following factors:

Attractiveness of the TIG Entities' Products and Ability to Generate Strong, Stable Results. We partner with alternative investment managers, which have historically generated alpha over long periods of time through repeatable investment processes. We diversify our overall offering by partnering with managers that do not correlate with one another. Our selected managers have low volatility of returns and exhibit low correlations to capital markets and/or typically run low net exposure strategies.

Successful Deployment of Capital into Attractive Investments. We believe we identify managers that can identify specific investment opportunities and are able to implement a repeatable investment process in order to capitalize on such opportunity set. We only partner with managers that have a seasoned investment team, which have grown AUM, diversified their investor base and are growing at the time of partnership. In doing so, we seek managers who we believe we can unlock growth for, either by channel or geography distribution expansion, operational improvement, synergies, investment / operational capabilities and / or product expansion. We have metrics in place to gauge the performance of these managers, for which all have grown since our primary investment.

Ability to Maintain our Competitive Advantage. We have a 40+ year operating history of helping entrepreneurs grow their businesses successfully. We also believe allocators view our business as a holistic solution adept at addressing various structural and / or investment needs. To achieve this reputation, our focus has been directed towards mid-sized specialist managers who have achieved stability and credibility within their organization and during their operating history, while bringing to market the unique alpha solutions global allocators desire. We believe we are a proven growth partner with a global sales and marketing presence as we have successfully raised capital from various regions globally and are critically focused on understanding the geographical nuances of various investor types.

Ability to Launch New Strategies and Products. We believe that among our core competencies is creating and/or accommodating proprietary client solutions, including SMAs, funds of one wherein the fund is the sole investor in a specific investment vehicle, SPVs, UCITs, AIF's and a variety of other offerings to meet complex needs across a global client base.

Limited Availability of Financing for Certain Real Estate Projects. A key driver of our investment in the Real Estate Bridge Lending Strategy is our belief that regulatory and structural changes in the market have reduced the amount of capital available to certain types of projects and properties. We believe that many commercial and regional banks have, in recent years, de-emphasized their offering of loans for construction projects or transitional properties. In addition, these lenders may be constrained in their ability to underwrite and hold certain types real estate loans as they seek to meet existing and future regulatory capital requirements.

Managing Business Performance and Key Financial Measures

Non-GAAP Financial Measures

We use Adjusted Net Income, Adjusted EBITDA, and Economic EBITDA as non-GAAP measures to track our performance and assess the TIG Entities' ability to service their borrowings. Adjusted EBITDA and Economic EBITDA are derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of net income (loss). Adjusted Net Income represents net income (loss) plus (a) transaction expenses, (b) legal settlement fees, (c) fair value adjustments to strategic investments, and (d) disposal of investments. Adjusted EBITDA represents Adjusted Net Income plus (a) interest expense, net, (b) income tax expense, and (c) depreciation and amortization expense. Economic EBITDA represents Adjusted EBITDA less net profit share economics with TIG Arbitrage.

We believe all three non-GAAP measures provide useful information to investors to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. These non-GAAP financial measures supplement and should be considered in addition to and not in lieu of, the results of operations, which are discussed further under "—Components of Combined and Consolidated Results of Income" and "Presentation of Financial Information" and are prepared in accordance with GAAP. For the specific components and calculations of these non-GAAP measures, as well as a reconciliation of these measures to the most comparable measure in accordance with GAAP, see "— Reconciliation of Combined and Consolidated GAAP Financial Measures to Certain Non-GAAP Measures."

Operating Metrics

Our primary operating metric is AUM, which refers to the assets we and the External Strategic Managers manage. We view AUM as a metric to measure our investment and fundraising performance. Our calculations of assets under management may differ from the calculation methodologies of other asset managers, and as a result this measure may not be comparable to similar measures presented by other asset managers.

The tables below present roll forwards of our total AUM and the AUM of the External Strategic Managers in which we have made strategic investments:

TIG Entities Fund Summary

The following table represents the TIG Arbitrage AUM, and External Strategic Managers AUM in which the TIG Entities hold an economic interest, as described below. The amounts in the table represent 100% of the AUM as of and for the year ended December 31, 2022 and 2021, and as of and for the year ended December 31, 2021 and 2020:

($ amounts in millions)	December 31, 2022	December 31, 2021
TIG Arbitrage AUM	$ 3,027	$ 3,431
External Strategic Managers:		
Real Estate Bridge Lending AUM	2,153	2,329
European Equities AUM	1,632	1,082
Asian Credit and Special Situations AUM	1,498	1,448
External Strategic Managers AUM	5,283	4,859
Total AUM	$ 8,310	$ 8,290

($ amounts in millions)	December 31, 2021	December 31, 2020*
TIG Arbitrage AUM	$ 3,431	$ 2,569
External Strategic Managers:		
Real Estate Bridge Lending AUM	2,329	2,556
European Equities AUM	1,082	1,007
Asian Credit and Special Situations AUM	1,448	—
External Strategic Managers AUM	4,859	3,563
Total AUM	$ 8,290	$ 6,132

* Excludes AUM from the Asian Credit and Special Situations strategy, which was entered into during 2021.

The following table presents a rollforward by strategy and product of 100% of our AUM for the year ended December 31, 2022 and 2021: ($amounts in millions)

AUM by Strategy and Product*

($ amounts in millions)	AUM at January 1, 2022	Gross Appreciation	Subscriptions	Redemptions	Distributions	AUM at December 31, 2022	Average AUM
TIG Arbitrage	$ 3,431	$ 74	$ 973	$ (1,412)	$ (39)	$ 3,027	$ 3,229
External Strategic Managers:							
Real Estate Bridge Lending Strategy	2,329	48	95	(269)	(50)	2,153	2,241
European Equities	1,082	255	508	(152)	(61)	1,632	1,357
Asian Credit and Special Situations	1,448	15	312	(258)	(19)	1,498	1,473
External Strategic Managers Subtotal	4,859	318	915	(679)	(130)	5,283	5,071
Total	$ 8,290	$ 392	$ 1,888	$ (2,091)	$ (169)	$ 8,310	$ 8,300

($ amounts in millions)	AUM at January 1, 2021	Gross Appreciation	New Investments	Subscriptions	Redemptions	Distributions	AUM at December 31, 2021	Average AUM
TIG Arbitrage	$ 2,569	$ 225	$ —	$ 1,416	$ (712)	$ (67)	$ 3,431	$3,000
External Strategic Managers:								
Real Estate Bridge Lending Strategy	2,556	208	—	145	(524)	(56)	2,329	2,443
European Equities	1,007	88	—	255	(241)	(27)	1,082	1,045
Asian Credit and Special Situations	—	144	943	443	(46)	(36)	1,448	724
External Strategic Managers Subtotal	3,563	440	943	843	(811)	(119)	4,859	4,212
Total	$ 6,132	$ 665	$ 943	$ 2,259	$ (1,523)	$ (186)	$ 8,290	$7,212

* Each of the TIG Entities' strategies are aligned by product, TIG Arbitrage and our External Strategic Managers.

AUM increased $20 million to $8,310 million at December 31, 2022 from $8,290 million at December 31, 2021 primarily driven by steady subscriptions and gross appreciation, partially offset by the impact of redemptions and distributions.

For the year ended December 31, 2022 as compared to the year ended December 31, 2021, the increase in gross appreciation was greater in the prior year period due partially to a larger increase in performance of the global equity and fixed income markets. During the year ended December 31, 2021, the TIG Entities entered into a new investment in Asian Credit and Special Situations. The increase in subscriptions was primarily driven by the European Equities and Asian Credit and Special Situations within External Strategic Managers. These increases were offset in part by higher redemptions in the current year period among TIG Arbitrage and a slight decrease in distributions driven primarily by a decrease in the return of capital to various funds due to the lower management and performance fees earned in 2022.

The following table presents a rollforward by strategy and product of 100% of our AUM for the year ended December 31, 2021 and 2020: ($ amounts in millions)

AUM by Strategy and Product*

($ amounts in millions)	AUM at January 1, 2021 **	Gross Appreciation	New Investments	Subscriptions	Redemptions	Distributions	AUM at December 31, 2021	Average AUM
TIG Arbitrage	$ 2,569	$ 225	$ —	$ 1,416	$ (712)	$ (67)	$ 3,431	$3,000
External Strategic Managers:								
Real Estate Bridge Lending Strategy	2,556	208	—	145	(524)	(56)	2,329	2,443
European Equities	1,007	88	—	255	(241)	(27)	1,082	1,045
Asian Credit and Special Situations	—	144	943	443	(46)	(36)	1,448	724
External Strategic Managers Subtotal	3,563	440	943	843	(811)	(119)	4,859	4,212
Total	$ 6,132	$ 665	$ 943	$ 2,259	$ (1,523)	$ (186)	$ 8,290	$7,212

($ amounts in millions)	AUM at January 1, 2020 ***	Gross Appreciation	New Investments	Subscriptions	Redemptions	Distributions	AUM at December 31, 2020	Average AUM
TIG Arbitrage	$ 3,178	$ 206	$ —	$ 647	$ (1,409)	$ (53)	$ 2,569	$2,874
External Strategic Managers:								
Real Estate Bridge Lending Strategy	2,394	117	—	155	(59)	(51)	2,556	2,475
European Equities	—	217	885	13	(55)	(53)	1,007	504
External Strategic Managers Subtotal	2,394	334	885	168	(114)	(104)	3,563	2,979
Total	$ 5,572	$ 540	$ 885	$ 815	$ (1,523)	$ (157)	$ 6,132	$5,853

* Each of the TIG Entities' strategies are aligned by product, TIG Arbitrage and our External Strategic Managers.
** Excludes AUM from the Asian Credit and Special Situations strategy, which was entered into during 2021 and presented as "New investments" in the table.
*** Excludes AUM from the European Equities strategy, which was entered into during 2020 and presented as "New investments" in the table. Excludes AUM the Asian Credit and Special Situations strategy, which was entered into during 2021 and is not presented for the year ended December 31, 2020.

AUM increased $2,158 million to $8,290 million at December 31, 2021 from $6,132 million at December 31, 2020 primarily driven by increased subscriptions, the new investment in Asian Credit and Special Situations, and gross appreciation, partially offset by the impact of redemptions and distributions.

The increase in gross appreciation year-over-year was driven primarily by higher global equity and fixed income markets. The increase in subscriptions year-over-year was driven primarily by increased subscriptions among both TIG Arbitrage and the External Strategic Managers. Redemptions remained consistent year-over- year. The increase in distributions year-over-year was driven primarily by an increase in the return of capital to various funds due to the higher management and performance fees earned in 2021.

Product Performance Metrics

Product performance information is included throughout this discussion with analysis to facilitate an understanding of our results of operations for the periods presented. We do not present product performance metrics for products with less than two years of investment performance from the date of the product's first investment. The performance information reflected in this discussion and analysis is not indicative of our overall performance. As with any investment there is always the potential for gains as well as the possibility of losses. There can be no assurance that any of these products or our other existing and future managers will achieve similar returns.

Our performance by fund type for the year ended December 31, 2022 and December 31, 2021 are presented below:

($ amount in millions)	December 31, 2022 Ending Capital	December 31, 2022 Weighted Average Rate of Return	December 31, 2021 Ending Capital	December 31, 2021 Weighted Average Rate of Return
Fund Performance				
TIG Arbitrage	$ 3,027	2.2%	$ 3,431	8.0%
External Strategic Managers				
Real Estate Bridge Lending Strategy	2,153	6.4%	2,329	5.8%
European Equities	1,632	20.1%	1,082	8.1%
Asian Credit and Special Situations	1,498	-2.5%	1,448	9.7%
External Strategic Managers	5,283	N/A	4,859	N/A
Total	$ 8,310		$ 8,290	

Our performance by fund type for the year ended December 31, 2021 and December 31, 2020 are presented below:

($ amount in millions)	December 31, 2021 Ending Capital	December 31, 2021 Weighted Average Rate of Return	December 31, 2020 Ending Capital	December 31, 2020 Weighted Average Rate of Return
Fund Performance				
TIG Arbitrage	$ 3,431	8.0%	$ 2,569	7.9%
External Strategic Managers				
Real Estate Bridge Lending Strategy	2,329	8.0%	2,556	7.2%
European Equities	1,082	8.1%	1,007	24.5%
Asian Credit and Special Situations	1,448	9.7%	—	N/A
External Strategic Managers	4,859	N/A	3,563	N/A
Total	$ 8,290		$ 6,132	

Past performance does not guarantee or indicate future results. The weighted average rates of return ("WARR") presented above for the year ended December 31, 2022 and 2021 and years ended December 31, 2021 and 2020, are based on estimated returns and are unaudited. The WARR for TIG Arbitrage is based on the TIG Entities' internal estimated returns for multiple funds and separately managed accounts that had substantially similar portfolio compositions with varying exposure levels to the TIG Entities' benchmark portfolio. The estimated returns were gross of incentive fees and applicable taxes. Management fees and expenses were netted to the extent paid by the applicable fund or separately managed account. The WARR for Real Estate Bridge Lending Strategy is based on estimated returns for the flagship Real Estate Bridge Lending Strategy fund provided to the TIG Entities by our External Strategic Managers. Estimates were provided net of all fees charged to the flagship fund in this strategy, but did not take into account taxes, change in unit values, third-party expenses, or redemption charges. The WARR for European Equities is based on estimated returns for multiple funds and separately managed accounts that had substantially similar portfolio compositions with varying exposure levels to European Equities' benchmark portfolio. Estimates provided were gross of incentive fees and applicable taxes, but net of all other fees (including but not limited to management fees, trading expenses, and financing fees).

Components of Combined and Consolidated Results of Income

Income

Management and incentive fees. Management fees are recognized over the period of time in which the investment management services are performed, using a time-based output method in which the investment management services are performed to measure progress. Incentive fees are recognized at a point in time (usually annually) and it is determined that the incentive fees are no longer probable of significant reversal. The amount of income varies from one reporting period to another as levels of assets under advisement change (from inflows, outflows, and market movements) and as the number of days in the reporting period change.

Non-operating Income

Other investment gains. Other investment gain includes our unrealized and realized gains and losses on our principal investments.

Expenses

Compensation and Benefits. Compensation generally includes salaries, bonuses, long-term deferral programs, benefits, and payroll taxes. Compensation is accrued over the related service period and long-term deferral program awards are paid out based on the various vesting dates.

General, Administrative and Other Expenses. General, administrative and other expenses include costs primarily related to professional services, occupancy, travel, communication and information services, depreciation and amortization, distribution costs, and other general operating items.

Interest Expense. Interest expense consists of the interest expense on our outstanding debt, amortization of deferred financing costs, and amortization of original issue discount.

Income Tax Expense. Income tax expense consists of taxes paid or payable by our consolidated operating subsidiaries. Certain of our subsidiaries are treated as flow-through entities for federal income tax purposes and, accordingly, are not subject to federal and state income taxes, as such taxes are the responsibility of certain direct and indirect owners of the flow-through entities; however, the flow-through entities are subjected to unincorporated business tax (“UBT”) and other state taxes. A portion of our operations is conducted through domestic and foreign corporations that are subject to corporate level taxes and for which we record current and deferred income taxes at the prevailing rates in the various jurisdictions in which these entities operate.

Results of Operations

Combined and Consolidated Results of Income —The Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

	For the Year Ended December 31,		Favorable (Unfavorable)	
($ amounts in thousands)	**2022**	**2021**	**$ Change**	**% Change**
Income				
Management and incentive fees	$ 59,544	$ 86,613	$(27,069)	(31)%
Total income	59,544	86,613	(27,069)	(31)%
Expenses				
Compensation and benefits	18,704	17,651	(1,053)	(6)%
General, administrative and other expenses	16,669	12,160	(4,509)	(37)%
Total expenses	35,373	29,811	(5,562)	(19)%
Operating income	24,171	56,802	(32,631)	(57)%
Other investment gains, net	20,666	15,444	5,222	34%
Interest expense	(2,593)	(2,240)	(353)	(16)%
Net income (loss) before income taxes	42,244	70,006	(27,762)	(40)%
Income tax expense	(841)	(1,457)	616	42%
Net income (loss)	$ 41,403	$ 68,549	$(27,146)	(40)%

Income

The Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

	For the Year Ended December 31, 2022	2021	Favorable (Unfavorable) $ Change	% Change
Management Fees:				
TIG Arbitrage	$ 31,763	$ 29,594	$ 2,169	7%
External Strategic Managers:				
Real Estate Bridge Lending Strategy	6,692	10,713	(4,021)	(38)%
European Equities	3,988	2,904	1,084	37%
Asian Credit and Special Situations	1,661	1,292	369	29%
External Strategic Managers Subtotal	12,341	14,909	(2,568)	(17)%
Total Management Fees	44,104	44,503	(399)	(1)%
Incentive Fees:				
TIG Arbitrage	7,312	37,662	(30,350)	(81)%
External Strategic Managers:				
European Equities	8,094	2,540	5,554	219%
Asian Credit and Special Situations	34	1,908	(1,874)	(98)%
External Strategic Managers Subtotal	8,128	4,448	3,680	83%
Total Incentive Fees	15,440	42,110	(26,670)	(63)%
Total Income	**$ 59,544**	**$ 86,613**	**$(27,069)**	**(31)%**

Management Fees. Management fees decreased by $0.4 million, or 1%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was primarily due to a decrease in AUM in the TIG Arbitrage and Real Estate Bridge Lending Strategy, offset partially by an increase in AUM in the European Equities and Asian Credit and Special Situations strategies.

Incentive Fees. Incentive fees decreased by $26.7 million, or 63%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was driven by weaker investment performance during the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to a decrease in TIG Arbitrage incentive fees of $30.4 million, or 81%, and a decrease in Asian Credit and Special Situation incentive fees of $1.9 million, or 98%, partially offset by an increase in European Equities incentive fees of $5.6 million, or 219%, for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Non-operating Income

Other investment gains (losses). Other investment gains (losses) increased by $5.2 million, or 34% for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily due to an increase in unrealized gains on investments in the European Equities Strategy of $20.2 million, partially offset by a decrease in unrealized gains on investments in Real Estate Bridge Lending of $9.9 million and in Asian Credit and Special Situations of $5.0 million.

Expenses

Compensation and Benefits. Compensation and benefits increased by $1.1 million, or 6%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was driven by a $1.0 million increase in employee bonuses and a $0.1 million increase in salaries and employee benefit costs.

General, Administrative and Other Expenses. General, administrative and other expenses increased by $4.5 million, or 37%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily driven by an increase in merger expenses related to the Business Combination of $5.2 million, offset by a decrease in professional fees of $1.4 million for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Interest Expense. Interest expense increased $0.4 million, or 16%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was driven by an increase in LIBOR rates for the year ended December 31, 2022 compared to December 31, 2021.

Income Tax Expense. Income tax expense decreased by $0.6 million, or 42%, for the year ended December 31 2022 compared to the year ended December 31, 2021. The decrease was primarily driven by a UBT tax overpayment for the year ended December 31, 2021, which reduced the estimated UBT tax expense for the year ended December 31, 2022.

Results of Operations

Combined and Consolidated Results of Income—The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

($ amounts in thousands)	For the Year Ended December 31, 2021	2020	Favorable (Unfavorable) $ Change	% Change
Income				
Management and incentive fees	$86,613	$67,129	$19,484	29%
Total income	86,613	67,129	19,484	29%
Expenses				
Compensation and benefits	17,651	15,371	(2,280)	(15)%
General, administrative and other expenses	12,160	13,759	1,599	12%
Total expenses	29,811	29,130	(681)	(2)%
Operating income	56,802	37,999	18,803	49%
Other investment gains	15,444	7,670	7,774	101%
Interest expense	(2,240)	(2,363)	123	5%
Net income before income taxes	70,006	43,306	26,700	62%
Income tax expense	(1,457)	(748)	(709)	(95)%
Net income	$68,549	$42,558	$25,991	61%

Income

The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

	For the Year Ended December 31, 2021	2020	Favorable (Unfavorable) $ Change	% Change
Management Fees:				
TIG Arbitrage	$ 29,594	$ 28,237	$ 1,357	5%
External Strategic Managers:				
Real Estate Bridge Lending Strategy	10,713	5,566	5,147	92%
European Equities	2,904	1,871	1,033	55%
Asian Credit and Special Situations	1,292	—	1,292	NM%
External Strategic Managers Subtotal	14,909	7,437	7,472	100%
Total Management Fees	44,503	35,674	8,829	25%
Incentive Fees:				
TIG Arbitrage	37,662	24,469	13,193	54%
External Strategic Managers:				
European Equities	2,540	6,986	(4,446)	(64)%
Asian Credit and Special Situations	1,908	—	1,908	NM%
External Strategic Managers Subtotal	4,448	6,986	(2,538)	(36)%
Total Incentive Fees	42,110	31,455	10,655	34%
Total Income	**$ 86,613**	**$ 67,129**	**$ 19,484**	**29%**

NM – Not Meaningful

Management Fees. Management fees increased by $8.8 million, or 25%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily due to an increase in AUM across all strategies and the TIG Entities' new investment in Asian Credit and Special Situations during 2021.

Incentive Fees. Incentive fees increased by $10.7 million, or 34%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was driven by stronger investment performance during 2021 compared to 2020, primarily due to an increase in TIG Arbitrage incentive fees of $13.2 million, or 54%, from 2020 to 2021 and an increase of $1.9 million due to the TIG Entities' new investment in Asian Credit and Special Situations during 2021, partially offset by the decrease in European Equities incentive fees of $4.4 million, or 64%, from 2020 to 2021.

Non-operating Income

Other investment gains. Other investment gains increased by $7.8 million, or 101%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily due to increase in unrealized gains on investments in the Real Estate Bridge Lending Strategy of $9.4 million, the new Asian Credit and Special Situations investment of $5.8 million and an increase in unrealized gains on investments in TIG Arbitrage of $0.9 million, partially offset by a decrease in the unrealized gains in European Equities of $8.3 million.

Expenses

The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020.

Compensation and Benefits. Compensation and benefits increased by $2.3 million, or 15%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increases were primarily driven by severance payments incurred in the year ended December 31, 2021, as well as an increase in bonus compared to the year ended December 31, 2020.

General, Administrative and Other Expenses. General, administrative and other expenses decreased by $1.6 million, or 12%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The decrease was primarily driven by a legal settlement accrual of $6.3 million in 2020, partially offset by an increase in professional fees of $4.9 million, including certain transaction expenses related to the Business Combination, and other business expenses for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Interest Expense. Interest expense decreased by $0.1 million, or 5%, for the year ended December 31, 2021 compared to the year ended December 31, 2020.

Income Tax Expense. Income tax expense increased by $0.7 million, or 95%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily driven by a number of partners returning to New York during the year ended December 31, 2021 as restrictions eased related to the COVID-19 pandemic, which increased the related UBT incurred.

Reconciliation of Combined and Consolidated GAAP Financial Measures to Certain Non-GAAP Measures

We use Adjusted Net Income Adjusted EBITDA, and Economic EBITDA as non-GAAP measures to track our performance and assess the TIG Entities' ability to service their borrowings. Adjusted EBITDA and Economic EBITDA are derived from and reconciled to, but not equivalent to, its most directly comparable GAAP measure of net income (loss). Adjusted Net Income represents net income plus (a) an accrual recorded in 2020 for a legal action that was settled in July 2021, (b) legal fees related to a legal action that was settled in July 2021, (c) transaction expenses associated with the Business Combination in 2021, and (d) fair value adjustments to strategic investments. Economic EBITDA represents Adjusted EBITDA less net profit share economics with TIG Arbitrage. Adjusted EBITDA represents adjusted net income (loss) plus (a) interest expense, (b) income tax expense (benefits), and (c) depreciation and amortization.

We believe all three non-GAAP measures provide useful information to investors to help them evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling them to make more meaningful period to period comparisons. These non-GAAP financial measures supplement and should be considered in addition to and not in lieu of, the results of operations, which are discussed further under "—Components of Combined and Consolidated Results of Income" and "Presentation of Financial Information" and are prepared in accordance with GAAP. For the specific components and calculations of these non-GAAP measures, as well as a reconciliation of these measures to the most comparable measure in accordance with GAAP, see "—Reconciliation of Combined and Consolidated GAAP Financial Measures to Certain Non-GAAP Measures."

	For the Year Ended December 31,		
	2022	2021	2020
Net income before taxes	$ 42,244	$ 70,006	$ 43,306
Transaction expenses(a)	8,991	2,033	—
Legal settlement (b)	—	565	6,313
Fair value adjustments to strategic investments(c)	(20,666)	(15,444)	(7,670)
Adjusted income before taxes	30,569	57,160	41,949
Adjusted income tax expense	(374)	(943)	(694)
Adjusted Net Income	30,195	56,217	41,255
Interest expense, net	2,593	2,240	2,363
Income tax expense	841	1,457	748
Adjusted income tax expense (benefit) less income tax expense	(467)	(514)	(54)
Depreciation and amortization	185	165	165
Adjusted EBITDA	33,347	59,565	44,477
Affiliate profit-share in TIG Arbitrage(d)	(10,659)	(25,080)	(19,999)
Economic EBITDA	$ 22,688	$ 34,485	$ 24,478

(a) Represents adjustment for transaction expenses related to the Business Combination, in order to reflect our recurring performance, which are exclusive of Alvarium Tiedemann transaction expenses. Adjustments for transaction expenses are included in merger expenses in the Combined and Consolidated Statement of Operations.

(b) In 2020, represents an adjustment for an accrual recorded for a legal action that was settled in July 2021. In 2021, represents legal fees incurred in connection with this legal action. For further detail on the legal settlement, refer to Note 13, "Legal settlement," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities. Adjustments for legal settlement and related legal fees are included in professional fees in the Combined and Consolidated Statement of Operations.

(c) Represents adjustment for unrealized (gains) / losses on the TIG Entities' investments.

(d) Represents adjustment for the affiliate's profit-share participation in TIG Arbitrage Fund, as the TIG Entities' controlling shareholders are not entitled to such net income. The entire amount of net income earned from the TIG Arbitrage Fund is included within income in the Company's statement of operations, of which Class D-1 members are entitled to 49.37% of the pre-tax net profits and losses as discussed further in Note 11, "Members' Capital," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities. The profit-share participation is described in more detail under "Business of Alvarium Tiedemann—Fund Management Fees." Subsequent to the Business Combination, the Class D-1 equity interest will not be entitled to a 49.37% distribution of the results of TIG Arbitrage Fund. The Company has entered into a provisional agreement with the Class D-1 equity interest holder, which would provide the same economic benefits subsequent to the Business Combination as an employee of the TIG Entities. Subsequent to the Business Combination, the Class D-1 equity interest holder will become an employee of the TIG Entities, and therefore will no longer receive distributions going forward but will receive compensation as an employee of the TIG Entities.

Liquidity and Capital Resources

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. Management believes that we are well-positioned and our liquidity will continue to be sufficient for our foreseeable working capital needs, contractual obligations, distribution payments and strategic initiatives.

Sources and Uses of Liquidity

Our primary sources of liquidity are (1) cash on hand, (2) cash from operations, including management fees, which are generally collected quarterly, and (3) net borrowing from our credit facilities. As of December 31, 2022, our cash and cash equivalents were $8.3 million and we had $2.3 million available under our $45 million credit facilities. We believe that these sources of liquidity will be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business and under the current market conditions for the foreseeable future. Market conditions resulting from the COVID-19 pandemic may impact our liquidity. Cash flows from management fees may be impacted by a slowdown or declines in deployment, declines, or write downs in valuations, or a slowdown or negatively impacted fundraising. Declines in performance of the strategies may impact our product distributions and net realized performance income which could adversely impact our cash flows and liquidity. Market conditions may make it difficult to extend the maturity of or refinance our existing indebtedness or obtain new indebtedness with similar terms.

We expect that our primary liquidity needs will continue to be to (1) provide capital to facilitate the growth of our existing investment management businesses, (2) provide capital to facilitate our expansion into businesses that are complementary to our existing investment management businesses as well as other strategic growth initiatives, (3) pay operating expenses, including cash compensation to our employees, (4) fund capital expenditures, (5) service our debt, (6) pay income taxes and (7) make distribution payments to our unit holders in accordance with our distribution policy.

In the normal course of business, we expect to pay distributions that are aligned with the expected changes in our fee related earnings. If cash flow from operations were insufficient to fund distributions over a sustained period of time, we expect that we would suspend or reduce paying such distributions. In addition, there is no assurance that distributions would continue at the current levels or at all.

Our ability to obtain debt financing provides us with additional sources of liquidity. For further discussion of financing transactions occurring in the current period and our debt obligations, see “—Cash Flows” within this section and “Note 9. Term Loan” to our Combined and Consolidated Financial Statements, as well as “Note 9. Term Loan” to our Condensed Combined and Consolidated Financial Statements, included in this Current Report on Form 8-K.

Cash Flows

The Year Ended December 31, 2022 Compared to the year Ended December 31, 2021

The following tables and discussion summarize our Combined and Consolidated Statements of Cash Flows by activity attributable to the TIG Entities. Negative amounts represent a net outflow or use of cash.

	For the Year Ended December 31		Favorable (Unfavorable)	
($ amounts in thousands)	**2022**	**2021**	**$ Change**	**% Change**
Net cash provided by operating activities	$ 44,544	$ 33,135	$ 11,409	34%
Net cash provided by (used in) investing activities	12,136	(18,487)	30,623	-166%
Net cash used in financing activities	(56,607)	(20,334)	(36,273)	178%
Net change in cash and cash equivalents	$ 73	$ (5,686)	$ 5,759	NM

NM – Not Meaningful

Operating Activities

Net cash provided by the TIG Entities’ operating activities increased by $11.4 million, or 34%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. This increase was primarily due to an increase in working capital and operating accounts of $56.2 million, which was offset in part by a decrease of net income of $27.1 million and an increase in investment gains of $5.2 million during the year ended December 31, 2022 compared to the year ended December 31, 2021.

Our increasing working capital needs reflect the growth of our business. We believe that our ability to generate cash from operations, as well as the capacity under our credit facilities, provides us with the necessary liquidity to manage short-term fluctuations in working capital and to meet our short-term commitments.

Investing Activities

Net cash provided by the TIG Entities’ investing activities increased by $30.6 million for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to a decrease in purchases of investments to facilitate partner contributions of $25.0 million and an increase in sales of investments to facilitate partner withdrawals of $5.6 million in TIG Arbitrage.

Financing Activities

Net cash used in the TIG Entities’ financing activities increased by $36.3 million, or 178%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to a decrease in member contributions of $16.2 million, an increase in member distributions of $18.1 million, and a decrease in net funds provided by (repaid) on member loans of $4.1 million, offset by a $2.2 million decrease in repayments on term loans.

The Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

The following tables and discussion summarize our Combined and Consolidated Statements of Cash Flows by activity attributable to the TIG Entities. Negative amounts represent a net outflow or use of cash.

($ amounts in thousands)	For the year ended December 31 2021	For the year ended December 31 2020	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Net cash provided by operating activities	$ 33,135	$ 30,088	$ 3,047	10%
Net cash (used in) provided by investing activities	(18,487)	1,459	(19,946)	NM
Net cash used in financing activities	(20,334)	(27,030)	6,696	25%
Net change in cash and cash equivalents	$ (5,686)	$ 4,517	$(10,203)	NM

NM – Not Meaningful

Operating Activities

Net cash provided by the TIG Entities' operating activities increased by $3.0 million, or 10%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. This increase was primarily due to an increase in net income of $26.0 million, offset in part by increases to working capital and operating accounts of $15.2 million and an increase in other investment gain of $7.8 million.

Our increasing working capital needs reflect the growth of our business. We believe that our ability to generate cash from operations, as well as the capacity under our credit facilities, provides us with the necessary liquidity to manage short-term fluctuations in working capital and to meet our short-term commitments.

Investing Activities

Net cash used in the TIG Entities' investing activities increased by $19.9 million for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to a decrease in sales of investments to facilitate partner withdrawals of $27.4 million in TIG Arbitrage

Financing Activities

Net cash used in the TIG Entities' financing activities decreased by $6.7 million, or 25%, for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to a decrease in member distributions of $16.4 million, an increase in member contributions of $12.3 million and an increase in net funds provided by (repaid) on member loans of $3.9 million, offset by an decrease in net funds used in (drawn) on the Term Loan, as described in "Note 9. Term Loan" to the Condensed Combined and Consolidated Financial Statements, of $26.0 million.

Capital Resources

We intend to use a portion of our available liquidity to pay cash distributions on a quarterly basis in accordance with our distribution policies. Our ability to make cash dividends to our shareholders is dependent on a large number of factors, including among others: general economic and business conditions; our strategic plans and prospects; our business and investment opportunities; our financial condition and operating results; working capital requirements and other anticipated cash needs; contractual restrictions and obligations; legal, tax and regulatory restrictions; restrictions on the payment of distributions by our subsidiaries and other relevant factors.

Financial Condition and Liquidity of the TIG Entities Following the Business Combination

Our primary sources of liquidity are (1) cash on hand, (2) cash from operations, including management fees, which are generally collected quarterly, and (3) net borrowing from our credit facilities. We believe that following the Closing of the Business Combination, the sources of liquidity discussed above will continue to be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business, under current market conditions, for the foreseeable future. We intend to use a portion of our available liquidity to pay cash distributions on a quarterly basis in accordance with our distribution policies. We will continue to explore strategic financing and share buyback opportunities in the ordinary course of business. We expect this to include potential financings and refinancings of indebtedness, through the issuance of debt securities or otherwise, to optimize our liquidity and capital structure.

Commitments and Contingencies

In the normal course of business, we may engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications and potential contingent repayment obligations. We do not have any off-balance sheet arrangements that would require us to fund losses or guarantee target returns to counterparties.

Impact of Changes in Accounting on Recent and Future Trends

None of the changes to GAAP that went into effect during the years ended December 31, 2022 or 2021, or that have been issued but that we have not yet adopted, are expected to substantively impact our future trends.

Critical Accounting Estimates

We prepare our Combined and Consolidated and Condensed Combined and Consolidated Financial Statements in accordance with U.S. GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, income, and expenses in our Combined and Consolidated and Condensed Combined and Consolidated Financial Statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are both subjective and subject to change, and actual results may differ from our assumptions and estimates. Actual results may also differ from our estimates and judgments due to risks and uncertainties and changing circumstances, including uncertainty in the current economic environment due to the COVID-19 pandemic. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. For a summary of our significant accounting policies, see "Note 3. Significant Accounting Policies" to our Combined and Consolidated Financial Statements, as well as "Note 3. Summary of Significant Accounting Policies" to our Condensed Combined and Consolidated Financial Statements, included in this Current Report on Form 8-K.

Principles of Combination and Consolidation

The Combined and Consolidated Financial Statements and Condensed Combined and Consolidated Financial Statements include TIG Trinity Management, LLC, and its wholly owned subsidiary, TIG Advisors LLC. TIG Trinity Management and its wholly owned subsidiary are combined with TIG Trinity GP, LLC and its wholly owned subsidiaries, TFI Partners LLC and TIG SL Capital LLC. TIG Trinity Management, LLC, TIG Trinity GP, LLC and Subsidiaries financial statements have been combined for presentation purposes, the financial position, results of operations and cash flows do not represent those of a single legal entity. These entities share common ownership, control, and management.

We consolidate other entities based on either a variable interest model or voting interest model. As such, for entities that are determined to be variable interest entities ("VIEs"), we consolidate those entities where we have both significant economics and the power to direct the activities of the entity that impact economic performance. For limited partnerships and similar entities evaluated under the voting interest model, we do not consolidate those entities for which we act as the general partner unless we hold a majority voting interest.

The consolidation guidance requires qualitative and quantitative analysis to determine whether our involvement, through holding interests directly or indirectly in the entity or contractually through other variable interests (e.g., management and performance related income), would give us a controlling financial interest. This analysis requires judgment. These judgments include: (1) determining whether the equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (2) evaluating whether the equity holders, as a group, can make decisions that have a significant effect on the success of the entity, (3) determining whether two or more parties' equity interests should be aggregated, (4) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive returns from an entity, and (5) evaluating the nature of relationships and activities of the parties involved in determining which party within a related-party group is most closely associated with a VIE and hence would be deemed the primary beneficiary.

Income Recognition

We recognize income in accordance with ASC 606. Income is recognized in a manner that depicts the transfer of promised goods or services to customers and for an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We are required to identify our contracts with customers, identify the performance obligations in a contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize income when (or as) the entity satisfies a performance obligation. In determining the transaction price, variable consideration is included only to the extent that it is probable that a significant reversal in the amount of cumulative income recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Income Taxes

For tax purposes, we have been historically treated as a flow-through entity with respect to our U.S. operations. As a result, we have not been subject to U.S. federal and state income taxes. The provision for income taxes in our historical Combined and Consolidated Statements of Operations consists of local and foreign income taxes. Following the Business Combination, we will be subject to U.S. federal and state income taxes, in addition to local and foreign income taxes, with respect to our allocable share of any taxable income generated by flow-through entities that will flow through to its interest holders, including us.

Taxes are accounted for using the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using the tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period when the change is enacted.

U.S. GAAP requires us to recognize tax benefits in an amount that is more-likely-than-not to be sustained by the relevant taxing authority upon examination. We analyze our tax filing positions in all of the U.S. federal, state, local, and foreign tax jurisdictions where we are required to file income tax returns, as well as for all open tax years in these jurisdictions. If, based on this analysis, we determine that uncertainties in tax positions exist that do not meet the minimum threshold for recognition of the related tax benefit, a liability is recorded in the Combined and Consolidated Financial Statements and if related to unrecognized tax benefits recognized, as a reduction in the provision for income taxes. We recognize interest and penalties, if any, as general, administrative and other expenses in the Combined and Consolidated Statements of Operations.

Deferred tax assets are reduced by a valuation allowance when it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The realization of deferred tax assets is dependent on our ability to generate future taxable income. When evaluating the realizability of deferred tax assets, all evidence— both positive and negative—is considered. This evidence includes, but is not limited to, expectations regarding future earnings, future reversals of existing temporary tax differences and tax planning strategies.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties under GAAP. We review our tax positions quarterly and adjust our tax balances as new information becomes available.

Quantitative and Qualitative Disclosures About Market Risk

Our primary exposure to market risk is related to our role as investment adviser or general partner to our investment products and the sensitivity to movements in the fair value of their investments, including the effect on management fees, performance income and investment income. Even though the effects of COVID-19 on the financial markets has largely subsided and most countries have reduced or eliminated COVID-19-related restrictions, an increase in cases or the introduction of novel variants may continue to pose risks to financial markets.

Market Risk

The market price of investments may significantly fluctuate during the period of investment. Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions, which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. It may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Our investment professionals benefit from our independent research and relationship networks and insights from our portfolio of active investments. We believe the combination of high-quality proprietary pipeline and a consistent, rigorous approach to managing investments across our strategies has been, and we believe will continue to be, a major driver of our strong risk-adjusted returns and the stability and predictability of our income.

Interest Rate Risk

Our credit facilities provide $45.0 million of term loan debt. The facilities bear interest at a variable rate based on either LIBOR or a base rate plus an applicable margin with an unused commitment fee paid quarterly. Currently, the term loan bears interest calculated based on LIBOR rate plus 4.00%. As of December 31, 2022, we had $42.8 million of borrowings, inclusive of borrowing costs, outstanding under the term loan.

We estimate that in the event of approximately 90 basis points of an increase in LIBOR, there would be no impact to our interest expense; however, for any incremental increase above approximately 90 basis points, we would be subject to the variable rate and would expect our interest expense to increase commensurately.

On July 27, 2017, the United Kingdom's FCA, which regulates LIBOR, announced that it intends to phase out LIBOR by the end of 2021, which was later extended to June 2023. Potential changes, or uncertainty related to such potential changes, may adversely affect the market for LIBOR-based securities or the cost of our borrowings. Please see "Risk Factors" section in this Current Report on Form 8-K for additional information.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting to reputable financial institutions the counterparties with which we enter into financial transactions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets. At December 31, 2022 and 2021, respectively, we had cash balances with financial institutions in excess of Federal Deposit Insurance Corporation insured limits. We seek to mitigate this exposure by monitoring the credit standing of these financial institutions.

There have been no material changes in our market risks for the year ended December 31, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF ALVARIUM

Unless the context otherwise requires, references in this section to "Alvarium," "we," "us," and "our," are intended to mean Alvarium, and its consolidated subsidiaries together with Alvarium's share of the results of associates and joint ventures. The following discussion analyzes the financial condition and results of operations of Alvarium and should be read in conjunction with the consolidated audited financial statements and the related notes included in this Current Report on Form 8-K.

Amounts and percentages presented throughout our discussion and analysis of financial condition and results of operations may reflect rounded results in thousands (unless otherwise indicated) and, consequently, totals may not appear to sum.

Our Business

Alvarium's core business is providing wealth and asset management services to individuals, families, foundations and institutions. We act as trusted advisors to assist clients to protect and grow their assets over the long term. With investment expertise in 14 offices across the globe, our focus is on in-depth research with the aim of being a leading manager selection specialist and advisor, delivering excellence, accountability, and transparency across both traditional and alternative asset classes. We adopt an independent approach to implement bespoke, endowment-style investment programs with a strong focus on strategic asset allocation and portfolio construction, as well as single asset class solutions. We have a deep expertise in private markets and offer access to proprietary co-investments in real estate and innovative growth companies. Alvarium has a presence in Australia, Eurozone countries (France, Italy, and Portugal), Hong Kong, the Isle of Man, Singapore, Switzerland, the United Kingdom ("UK"), and the United States. As of December 31, 2022, our combined assets under management ("AUM") and assets under advisement ("AUA") were approximately £22.2 billion. This balance is an increase of £3.4 billion, or 18% from our AUA/AUM balance as of December 31, 2021, which had increased by £2.5 billion, or 16%, during the year ended December 31, 2021. Our AUM increased by 11% during the year ended December 31, 2020.

Alvarium offers what we believe to be industry-leading expertise in four areas: investment advisory, co-investment, family office services and merchant banking advisory. As long-term stewards of client capital and a United Nations Principles for Responsible Investment ("UN PRI") Signatory, we believe that preservation and growth in capital are aligned with being a responsible investor, which, for us, means incorporating sustainable investment criteria in our decision-making process. This includes an evaluation of Environmental, Social and Governance ("ESG") practices of the managers we invest in and providing our clients options to invest in sustainable and impact strategies.

<u>Investment Advisory</u>

Alvarium provides unbiased and independent wealth management services and investment advice to individuals, families, foundations, institutions and charities. Assets we advise or manage have grown organically, and inorganically—through acquisitions and the establishment of joint ventures with other wealth managers and multi-family offices globally. Alvarium utilizes top-down and bottom-up approaches to sourcing and selecting best-in-class fund managers across private and public markets from around the world in order to create tailored asset allocations, targeting client-specific, risk-adjusted returns focused on the client's objectives. Our services include investment strategy and implementation, asset allocation, investment manager selection and reporting. These are delivered in the following stages:

- Strategic asset allocation, which represents the mix of asset classes that best deliver a client's expected return at an appropriate level of risk. Asset allocation can shift over time to incorporate our macro-economic views and inclusion of long-term secular trends, but where any adjustments are in keeping with a client's risk profile.

- Global market research and selection, including our in-depth knowledge of each asset class, is vital in identifying the best investment opportunities from a global perspective.
- Risk management assessment: this involves establishing a clear robust investment process focusing on client objectives, performance and risk management.
- Client implementation uses our analytical approach to continuously optimize client portfolios based on input from our research analysts and portfolio managers to deliver the client's objectives.

Co-investments

Alvarium provides access to private market direct investments in real estate and other asset classes. We follow a thematic investment strategy, selecting sub-sectors based on in-house industry knowledge of managers and operating partners and long-term analysis of cyclical and geographical trends. In real estate, we currently focus on UK, European, North American and Australasian high and low yield residential, long-income commercial, student housing, senior and mezzanine real estate debt, added-value development and asset rich operational companies (such as those in the hospitality sector). We identify operating partners to execute this strategy in joint venture structures, with demonstrated track records across multiple real estate cycles.

We are also expanding our Co-investment offering to provide access to proprietary investments in what we believe to be growth equity opportunities in the innovation economy, many of which are at the intersection of impact and innovation. These Co-investment opportunities are also offered to clients on an opt-in basis and provide a means for interested clients and investors to more directly access investments in later stage private companies in a range of transforming industry sectors that we believe offer the potential for high growth.

On December 30, 2022, Alvarium RE Limited ("ARE"), an indirect wholly-owned subsidiary of Alvarium, entered into an agreement to sell 100% of the equity of Alvarium Home REIT Advisors Ltd ("AHRA") to a newly formed entity owned by the management of AHRA, for aggregate consideration approximately equal to £24 million. The consideration comprised a promissory note maturing December 31, 2023, subject to extension if mutually agreed upon by the parties thereto. Additionally, ARE received a call option pursuant to which ARE has the right to repurchase AHRA prior to the repayment of the note for a purchase price equal to the loan balance then outstanding thereunder.

The consolidated financial statements and AUM/AUA figures include the accounts of AHRA. Subsidiaries are companies over which Alvarium has the power indirectly and/or directly to control the financial and operating policies so as to obtain benefits. In assessing control for accounting purposes, potential voting rights that are presently exercisable or convertible are taken into account. Although Alvarium does not presently have legal control of AHRA, it has a right to reacquire such legal control through the call option it holds and accordingly AHRA has been deemed to be a subsidiary for accounting purposes.

Merchant Banking

Alvarium's merchant banking group offers specialist corporate finance advisory and capital solutions and has focused on growth companies across the media, innovation and enabling technology sphere for over 20 years. The team has a proven track record of providing strategic corporate finance advice to families and founders of closely held companies, and raising capital across a wide range of strategies and structures. Alvarium has partnered with a number of what we consider to be leading financial institutions in order to offer our clients and investors a broad range of private equity and venture capital investments across the technology and innovation economy, through funds, direct investment and co-investment opportunities. Specific services include: Merger & Acquisition ("M&A") services, private placements, public company and IPO advisory services, strategic advisory services, independent board advice and structured finance advisory services.

Family Office Services

Alvarium provides a full range of tailored outsourced family office solutions and administrative services to founders, entrepreneurs and investors, families, their companies and trusts. Our services include: family governance, wealth planning, trust and fiduciary administration, fund administration, chief financial officer services, philanthropy, lifestyle and special projects. We work with our clients' existing advisors to coordinate legal, accounting and tax advice, operating in partnership with carefully selected third party advisors and professionals to provide a collegiate approach to obtaining the right advice and support for individuals, families and their associated structures.

Revenue Streams

Alvarium generates its revenue from providing diversified services in our four product lines discussed in “Our Business” section above, being: investment advisory, co-investment, merchant banking, and family office services. Each product line has different types of revenues from fees we charge our customers, including the following:

Investment Advisory Fees

Investment management or advisory fees are the primary source of revenue in our investment advisory division. These fees are generally calculated on the basis of a percentage of AUM or assets under advisement (“AUA”) depending on whether the contracts are for discretionary investment management or non-discretionary investment advisory services. There are also a small number of clients that pay fixed annual fees. For those management or advisory fees payable on a percentage of AUM or AUA, fees are generally calculated based on that average daily balance values of clients’ portfolios or on the quarter-end values of AUM or AUA (as applicable). These vary depending upon the level and complexity of client assets and are mostly billed quarterly in arrears.

Some clients in certain jurisdictions may also pay performance fees. These are non-recurring fees that are only payable if the client portfolio in question achieves a certain hurdle rate of return or if the client’s portfolio return exceeds certain benchmarks, in each case, as such are set out in the investment advisory agreements with such clients. Notwithstanding the foregoing, we have generated performance fees in three of the last four years. Performance fees are only recognized when it is probable that the economic benefits associated with the transaction will flow to the entity, therefore, the revenue recognition is deferred until performance fees are crystallized (after returns on the client’s portfolio exceeded agreed benchmark returns).

Co-investments Fees

Private market co-investments: As sponsor on private market direct and co-investment transactions, we generate income from debt and equity structures relating to specified real estate investments or investments in other alternative asset classes. Private market fees include arrangement, retainer, management, advisory, performance, acquisition, promote and other associated fees as well as interest arbitrage for debt structures. The level of fees generated in each period is linked to activity in the real estate or other relevant markets, which in turn are dependent on various macroeconomic factors.

Arrangement fees are typically 50 to 100 basis points of equity value contributed into transaction. Acquisitions fees are typically payable where there are no agency fees or where there is an off-market transaction sourced by the team. Such acquisition fees are usually in the range of 50 to 100 basis points of the purchase price of the relevant acquisition. The equity structures are long term (5-10 years) close-ended structures with fees normally ranging between 50 and 175 basis points of the equity value committed or drawn. The debt structure terms are generally between 12 and 36 months. The investment adviser, general partners or other entity entitled to fees in respect of each of our Co-investments receives such fees either monthly, quarterly or annually.

We may be entitled to a portion of the performance-related entitlements (such as carried interest or promote fees that may be payable on exit from Co-investment transactions. Carried interest entitlements are not accrued and are only recognized once crystalized on exit. Such revenues are only received if the investor hurdle (i.e. a minimum return to the investor) is reached, and may include a catch-up. Carried interest entitlements are based on a percentage of the investor return above such hurdle and are set on a deal and fund basis. Typically, carried interest entitlements represent 10-20% of the investors’ equity internal rate of return in excess of an 8 to 15% hurdle, with no carried interest entitlement being payable if the hurdle is not met.

Certain existing Co-investment vehicles, joint ventures and affiliates have entered into advisory and/or management agreements whereby we receive a share of base advisory and/or management fees from the inception of such joint venture or affiliate relationship through to the liquidation of the relevant transaction. Where we have established feeder vehicles for clients, there may also be administration and advisory fees associated with those vehicles (these are earned by our trusts and administrative business).

Management of real estate investment funds (public and private): We also generate income in our co-investments division from managing and advising real estate investment funds. Our fees from managing and advising these vehicles are contained in management and advisory contracts relating to the relevant fund and are calculated on a sliding scale of percentages of the net asset value or the market capitalization of the relevant fund, as applicable.

Brokerage Fees are also generated in our co-investments division from acting as placement agent, broker or bookrunner to investment funds, especially listed or publicly traded investment companies (including investment trusts and real estate investment trusts, such as LXi). Such fees are primarily comprised of a commission payable on completion of the capital raise, with the amount of such commission being calculated as a percentage of the proceeds of the capital raise and payable out of those proceeds. Small retainer fees may also be payable in some circumstances. In the case of listed or publicly traded investment companies, revenues are mostly derived from placement commissions payable on an IPO or secondary issuance of stock (e.g., via a large single placement or a placement program). Additionally, there may be commission for smaller share issuances, such as tap issuances.

Merchant Banking Fees

M&A advisory fees account for approximately two-thirds of the total fees generated by Alvarium's merchant banking division. These are primarily success-based fees that are typically 1% to 2.5% of the financial outcome or target achieved. For capital raising mandates, success fees are typically higher in the 3% to 5% range - in line with market standards. We also generate small retainer fees that are typically retained in the event of abort or deducted against success fees. In addition, we may also generate a project fee for certain M&A mandates related to the duration of such transaction. Due to the transactional nature of our merchant banking division's services, turnover is non-recurring in nature, however we have several large, longstanding clients, where the relationship spans many years with repeated engagements for services on multiple transactions.

Family Office Services Fees

We generate family office service ("FOS") fees from our private clients and from the administration of structures introduced by, or created for, our co-investment division. FOS fees comprise initial set up fees, annual responsibility fees and time-based fees. We also recover disbursements at cost and reserve the right to charge a 3% charge to cover office incidentals. The duration of annual income is dependent on the life of underlying structure. The average life cycle of a managed structure is in excess of 10 years. Annual responsibility fees are charged per billing entity as a minimum and are billed annually in advance. We also generate FOS time-based fees arising from accounting, administration, transactional, review/reporting and other non-investment advisory services. We accrue time-based fees on an as-recorded time basis. We may offer a fixed fee in lieu of the time-based component of FOS fees, usually to long standing clients or large referral clients; however, we review actual time spent versus the amount invoiced under such arrangements regularly. Fixed fees may be billed annually in advance, quarterly in advance or very rarely, quarterly in arrears.

Trends Affecting Our Business

Global equity markets declined in performance during the year ended December 31, 2022, as supply chain issues, labor shortages, and inflation concerns increased. Outside of the U.S., the MSCI All Country World ex USA Index decreased 16.1% for the year ended December 31, 2022.The S&P 500 Index had negative returns of 19.4% for the year ended December 31, 2022..

With respect to capital raising mandates, our ability to raise debt finance and interest costs are significant factors that impact our ability to execute placement and capital markets transactions. Successful execution of client mandates historically and excellent market reputation gave us a competitive advantage and resulted in increased business from repeat customers.

Our family office services business division, on the other hand, is less impacted by macroeconomic factors, but rather, by global tax changes. The key success factor for growth in this business division is highly professional execution and fiduciary competency of our relationship managers and advisors.

Overall, we benefit from a diversified business geographic footprint and financial model. Our investment solutions have a stable base of committed capital enabling us to invest in assets with a long-term focus over different points in a market cycle and to take advantage of market volatility. Historically, a large portion of our revenue has been derived from management, advisory and administrative fees, which are generally based on the AUM/AUA percentage value and so are subject to market volatility. We have a diversified range of investment strategies, our portfolios are further diversified across investment strategies, fund vintages, geographies, sectors, and enterprise values. However, our results of operations, like those of most businesses, are affected by a variety of geo-political and macroeconomic factors, including conditions in the global financial markets and the economic, political and trading environments in the countries and markets in which we operate.

In addition to the aforementioned macroeconomic and sector-specific trends, we believe our future performance will be influenced by the following factors:

Our ability to generate strong, stable returns. The stability and strength of our investment performance is a significant factor in investors' willingness to allocate capital to us. The new capital we are able to raise or manage drives the growth of our fee-paying AUM/AUA and the concomitant management and advisory fees. Our fee-paying AUM/AUA and management and advisory fees have grown significantly since our inception, which we believe is due to our disciplined investment strategies which contribute to the stability of our performance throughout market cycles.

Our successful deployment of capital into attractive investments. The continued growth in our fee-paying AUM/AUA and revenues is dependent on our ability to continue to identify attractive investments and deploy the capital we have raised. We are selective in the opportunities in which we invest and are targeting private and institutional investors with attractive investment dynamics. We believe we will be able to identify attractive investments into the future and execute on those investments in order to position ourselves competitively in the market. However, changes in economic and market conditions, such as the COVID-19 pandemic, discussed further below, may adversely affect our ability to realize value from our investments.

Our ability to maintain our competitive position. There has been a trend amongst alternative investors to consolidate the number of general partners in which they invest, which has driven a disproportionate amount of assets to large managers creating a bifurcation in marketplace. We believe we have several competitive and structural advantages that position us as a preferred partner within this division of the alternative asset management landscape. We expect these advantages enable us to provide unique access to asset classes that are traditionally difficult to access to our investors, and a differentiated value proposition to our partner managers. We believe we have a leading competitive positioning in our target markets that allows us to attract and successfully deploy capital in the future.

Our ability to launch new strategies. We have taken a diligent and deliberate approach to expansion to serve the needs of our ecosystem while delivering what we consider to be an attractive value proposition and strong performance to our investors. We believe we will continue to successfully launch new strategies into the future considering our competitive edge in our target markets.

The extent to which investors favor alternative investments. We believe capital raising efforts will continue to be impacted by certain fundamental asset management trends that include: (i) the increasing importance and market share of alternative investment strategies to investors of all types as investors focus on lower-correlated and higher absolute levels of return; (ii) increasing demand for alternative assets from retail investors; (iii) shifting asset allocation policies of institutional investors; (iv) de-leveraging of the global banking system, bank consolidation and increased regulatory requirements; and (v) increasing barriers to entry and growth. In addition to driving our own ability to attract new capital, those trends will also impact the ability of our funds' underlying partners to retain and attract new capital, which in turn impacts our investment performance and ability to grow.

Presentation of Financial Information

Alvarium's financial statements included elsewhere in this Current Report on Form 8-K were prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (or "UK GAAP"). Alvarium's historical financial statements were prepared using the historical cost convention method. To facilitate comparability, the pro forma financial information included elsewhere in this Current Report on Form 8-K has been prepared by, among other things, converting Alvarium's historical financial information into U.S. GAAP, conforming to Tiedemann Advisors' accounting policies and applying preliminary purchase accounting adjustments based on an allocation of the purchase price to Alvarium's assets and liabilities. See "Unaudited Pro Forma Condensed Combined Financial Information." Consequently, Alvarium's results of operations and consolidated statements of financial positions discussed herein are not comparable to the pro forma financial information and will not be comparable to the combined financial reporting for future periods, which will be calculated in accordance with U.S. GAAP and will reflect the accounting acquirer's accounting policies and a new basis of accounting for Alvarium's assets and liabilities.

Alvarium's functional currency is the British pound ("GBP"), and its results of operations reported herein are presented in GBP. Alvarium has historically been exposed to foreign currency exchange risk. See "- Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Rate Risk." Going forward, Alvarium's results will be reported as part of the combined company's results of operations and financial condition and will be reported in U.S. dollars, and, as such, will be subject to foreign currency transaction and translation risk.

Managing Business Performance and Key Financial Measures

Non-UK GAAP Financial Measures

In this Current Report on Form 8-K, we use Adjusted Net Income and Adjusted EBITDA as non-UK GAAP financial measures. Adjusted Net Income and Adjusted EBITDA are derived from and reconciled to, but not equivalent to, its most directly comparable UK GAAP measure of loss for the financial year.

Both Adjusted Net Income and Adjusted EBITDA are used to track Alvarium's performance. We define Adjusted Net Income as Adjusted Net Income before taxes less Adjusted Income Tax Expense. We define Adjusted Net Income before taxes as our profit (loss) before taxes for the period plus (a) equity settled share-based payments, less (b) COVID-19 subsidies, plus (c) one-time bonuses and plus (d) other one-time fees and charges. We define Adjusted EBITDA as Adjusted Net Income, plus (i) joint ventures – group share of Adjusted EBITDA plus (ii) associates – group share of Adjusted EBITDA (iii) interest expense, net (iv) income tax (benefit)/expense and (v) depreciation and amortization expense. These are non-UK GAAP financial measure supplements and should be considered in addition to and not in lieu of, the results of operations, which are discussed further under "—Components of Consolidated Results of Operations" and are prepared in accordance with UK GAAP. For the specific components and calculations of these non-UK GAAP measures, as well as a reconciliation of these measures to the most comparable measure in accordance with UK GAAP, see "Reconciliation of Consolidated UK GAAP Financial Measures to Certain Non-UK GAAP Measures".

Operating Metrics

We monitor certain operating metrics that are common to the asset management industry, which are discussed below.

Assets Under Management (AUM) or Advisement (AUA)

AUM/ AUA refer to the assets we manage or advise. We view AUM/AUA as a metric to measure our investment and capital raising performance as it reflects assets generally at market value. AUM/AUA is determined based on the market values of investments. Our AUM/AUA equals the sum of the following:

- total client asset value;
- undrawn debt (at the portfolio-level including certain amounts subject to restrictions); and
- uncalled committed capital (including commitments to client access vehicles that have yet to commence their investment periods).

Our calculations of AUM/AUA and fee-earning AUM/AUA may differ from the calculation methodologies of other asset managers and, as a result, this measure may not be comparable to similar measures presented by other asset managers.

Assets under advisement for our family office services division do not relate to billing. Billing is connected to structures and the annual, fixed and time-based fees applicable thereto.

The tables below present rollforwards of our total AUM/AUA by business division:

(£ amounts in millions)	Investment Advisory *Billable*	Investment Advisory *Non-billable**	***Total IA***	Family Office Services	Co-investment**	Total AUA/AUM
AUM/AUA as of December 31, 2021	£7,699	£ 377	£8,076	£ 1,829	£ 8,864	£ 18,769
Net change	£ (428)	£ 124	£ (304)	£ 864	£ 2,830	£ 3,390
AUM/AUA as of December 31, 2022	£7,271	£ 501	£7,772	£ 2,693	£ 11,694	£ 22,159
Average AUM/AUA	£7,485	£ 439	£7,924	£ 2,261	£ 10,279	£ 20,464
Year-over-year growth (%)	-6%	33%	-4%	47%	32%	18%

(£ amounts in millions)	Investment Advisory *Billable*	Investment Advisory *Non-billable**	**Total IA**	Family Office Services	Co-investment**	Total AUA/AUM
AUM/AUA as of December 31, 2020	£6,327	£ 311	**£6,638**	£ 1,710	£ 7,898	£ 16,246
Net change	£1,372	£ 66	**£1,438**	£ 119	£ 966	£ 2,523
AUM/AUA as of December 31, 2021	£7,699	£ 377	**£8,076**	£ 1,829	£ 8,864	£ 18,769
Average AUM/AUA	£7,013	£ 344	**£7,357**	£ 1,770	£ 8,381	£ 17,508
Year-over-year growth (%)	22%	21%	22%	7%	12%	16%

* Non-billable assets are exempt of fees, and consist of assets such as cash and cash equivalents, real estate, non-fee paying investment consulting assets, and other designated assets.

** AUM/AUA is reported with a one-month lag for Home and a one quarter lag for HLIF as management fees are billed on those bases.

For the year ended December 31, 2022, AUM/AUA increased by 18%. Family Office Services increases of 47%, or £864 million, and increases in Co-Investment AUM/AUA of 32% or £2,830 million, were partially offset by decreases in Billable Investment Advisory AUM/AUA of (6%) from £7,699 million to £7,271 million. The decrease in Billable Investment Advisory AUM/AUA was driven primarily due to declines of asset values as a result of the overall challenging period in global financial markets.

For the year ended December 31, 2021, AUM/AUA grew 16%, or £2,523 million, which was primarily driven by the growth of our investment advisory practice by 22%. AUM/AUA growth in 2021 was driven by a mix of new assets, as well as the impact of market and foreign exchange impacts. For the year ended December 31, 2020, AUM/AUA grew 11%, or £1,574 million, which was primarily driven by the growth of our co-investment and family office services divisions by £858 million, or 12%, and £375 million, or 28%, respectively.

Components of Consolidated Results of Operations

Revenues

Alvarium generates its revenue from providing investment advisory, co-investment, merchant banking, and family office services.

Investment Advisory

Alvarium offers comprehensive investment advisory services, including investment strategy and implementation, asset allocation, investment manager selection and consolidated reporting. Alvarium provides such advisory services on both a discretionary and a non-discretionary basis. For services provided to each client account, Alvarium charges management and / or performance fees based on the market value of AUM/AUA of that account. Management or advisory fees are charged either: (i) quarterly in arrears, calculated using the average of the daily market values during the subject quarter for such account; (ii) quarterly in advance, based upon the market value at the beginning of the quarter; or (iii) in some cases, on a flat fixed fee basis. For those assets for which valuations are not available on a daily basis, the most recent valuation provided to Alvarium is used as the market value for the purpose of calculating the quarterly fee. Performance fees are recognized once per year in the event that the customer’s account experiences an appreciation during the year above a pre-agreed threshold.

Co-investments

Alvarium provides access to private market direct investments in real estate and private equity directly and through joint ventures with alternative asset managers and operating partners. Alvarium receives advisory and management fees and carried interest directly or via the joint venture arrangements. Alvarium is entitled to a portion of performance-related fees (e.g., carried interest or promote fees) that may be payable from certain transactions. Additionally, fees from managing and advising real estate funds are calculated on a sliding scale of percentages of the net asset value or the market capitalization of the relevant funds.

Merchant Banking

Alvarium's merchant banking division is a corporate advisory practice providing clients with strategic advice around their operational businesses or holding companies, as well as specializing in providing services to customers in media, consumer and technology sectors. Specific services include: M&A services, private placements, public company and IPO advisory services, strategic advisory services, independent board advice and structured finance advisory services. Similar to investment advisory revenue streams, fees are either recognized on a quarterly basis based upon fees agreed with the client or at the point of legal entitlement to the income.

Family Office Services

Alvarium provides tailored outsourced family office solutions and administrative services to families, trusts, foundations and institutions. Services include: family governance and transition, wealth and asset strategy, trust and fiduciary services, philanthropy, lifestyle and special projects.

Revenue represents amounts receivable and services and trade discounts. Invoicing is completed annually in advance for annual fees and fixed fees or monthly in arrears for time spent billing, with any resulting accrued income included in debtors at year end. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period, provided that the outcome can be reliably estimated.

Expenses

Cost of sales primarily consists of staff costs, directors' remuneration and consultancy fees.

Operating expenses net of other operating income include costs primarily related to professional services, occupancy, travel, communication and information services, depreciation and amortization, distribution costs, and other general operating items.

Other income / (expenses), net consists of share of profit/(loss) of associates, share of profit/(loss) of joint ventures, income from other fixed asset investments as well as loss on impairment of investments.

Interest expense, net, consists of the interest expense on bank loans and overdrafts, interest on obligations under finance leases and hire purchase contracts, interest on deferred acquisition payments and interest from shareholder loans, as well as other interest payable and similar charges. Interest income consists of interest on loans issued and other receivables.

Income tax expense / (benefit) consists of the aggregate amount of current and deferred tax recognized in the reporting period. Current tax is recognized on taxable profits for the current and past periods. Current tax is measured as the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognized in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognized to the extent that is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date that are expected to apply at the reversal of the timing difference.

Net income (loss) attributable to non-controlling interests represents the ownership interests that third parties hold in Alvarium entities that are consolidated into our Consolidated Financial Statements based on their ownership interests in such Alvarium entities.

Results of Operations

Consolidated Results of Operations – The Year ended December 31, 2022 compared to the Year ended December 31, 2021

The following table presents the results of operations for the year ended December 31, 2022 and 2021:

	Year ended December 31,		Favorable (Unfavorable)	
£'000	**2022**	**2021**	**Change, £**	**Change, %**
Turnover	£ 81,625	75,164	6,461	9%
Cost of sales	(91,525)	(50,416)	(41,109)	(82%)
Gross profit	(9,900)	24,748	(34,648)	(140%)
Operating expenses	(38,880)	(26,159)	(12,721)	(49%)
Operating income / (loss)	(48,780)	(1,411)	(47,369)	N/M
Other income / (expenses), net	3,256	4,430	(1,174)	(27%)
Interest expense, net	(5,763)	(1,608)	(4,155)	(259%)
Income / (loss) before taxation	**(51,287)**	**1,411**	**(52,698)**	**N/M**
Income tax benefit (expense)	4,770	537	4,233	N/M
Income / (loss) for the financial period	(46,517)	1,948	(48,465)	N/M
Income / (loss) for the financial period attributable to:				
The owners of the parent company	(46,508)	1,126	(47,634)	N/M
Non-controlling interest	(9)	822	(831)	N/M
	(46,517)	1,948	(48,465)	N/M

N/M – Not meaningful

Turnover

The year ended December 31, 2022 compared to the year ended December 31, 2021:

	Year ended December 31,		Favorable (Unfavorable)	
	2022	**2021**	**Change, £**	**Change, %**
Investment advisory	£ 26,465	£ 27,078	£ (613)	(2%)
Co-investment	38,653	27,825	10,828	39%
Merchant banking	6,981	12,383	(5,402)	(44%)
Family office services	9,526	7,878	1,648	21%
Total Turnover	**£ 81,625**	**£ 75,164**	**£ 6,461**	**9%**

Investment advisory services revenue decreased by £0.6 million, or 2%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was primarily due to a decrease in management and advisory fees for clients, which are calculated as a percentage of AUM/AUA, and reflect the challenging environment during the year ended December 31, 2022 compared to the year ended December 31, 2021. Average billable AUM/AUA related to investment advisory activities was approximately 7% higher during the year ended December 31, 2022 compared to the year ended December 31, 2021.

Co-investment services revenue increased by £10.8 million, or 39%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in co-investment services revenue was driven primarily through increased fees linked to capital raising. Fees from public markets activities increased to £ 27.0 million from £20.7 million during the year ended December 31, 2022 and December 31, 2021, respectively. The increase in public markets activity was driven by increase in management fees earned from increased market capitalization of LXi REIT PLC. Revenues from private market activities increased to £11.7 million during the year ended December 31, 2022 from £7.1 million during the year ended December 31, 2021. This increase was driven primarily by £2.6 million exit fee earned from a certain real estate investment and increase in overall Co-investment business activity.

Merchant banking services revenue decreased by £5.4 million, or 44%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. Merchant banking fees are generally success-based, and therefore financial performance reflects the prevailing market economic conditions which had deteriorated for the year ended December 31, 2022 relative to the year ended December 31, 2021.

Family office services revenue increased by £1.6 million, or 21%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase is in relation to new investment management fees for Alvarium Fund Managers (UK) Limited. Fees under family office services revenues are based on hourly staff charge out rates or fixed fee arrangements, and are not driven by changes in AUM.

Expenses

The Year ended December 31, 2022 compared to the Year ended December 31, 2021

Cost of sales increased by £41.1 million, or (82%), for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to increased headcount and staff related costs, including an exceptional one-time LTIP payout of £30.9 million. Commissions paid under external revenue share agreements also increased by £5.1 million due an increase in amounts owed under revenue-sharing arrangements with third parties from real estate carry exits during the year ended December 31, 2022 compared to minimal activity during the year ended December 31, 2021.

Operating expenses, net of other operating income increased by £12.7 million, or (49%), for the year ended December 31, 2022 compared to the year ended December 31, 2021, due primarily to an increase of legal and other professional fees of £5.1 million, driven in part by the transactions contemplated by the Business Combination Agreement as well as other business activity, increases in corporate travel of £1.1 million, and irrecoverable VAT/Taxes of £0.5 million. Additionally, operating expenses increased by £3.1 million during the year ended December 31, 2022 due to higher amortization expense, including of the intangible asset recognized upon acquisition of Prestbury Investment Partners Limited.

Other income, net decreased by £1.2 million, or (27%, for the year ended December 31, 2022 compared to the year ended December 31, 2021, largely due to an increase in profits from JV of £1.4m, arising primarily as a result of a gain recognized on disposal of joint venture investment Alvarium NZ of £4.6 million. This was offset by an increase in the amounts written off investments £(1.2), an overall decrease in profits from associates (£0.7) million and a decrease in income from other fixed asset investments £(0.5) million, during the year ended December 31, 2022.

Interest expense, net of interest income increased by £4.2 million for the year ended December 31, 2022 compared to the year ended December 31, 2021, primarily due to interest accrued on the loan used to finance the acquisition of Prestbury Investment Partners Limited.

Income tax benefit of £3.8 million was recognized for the year ended December 31, 2022 compared to an income tax benefit of £0.5 million recognized during the year ended December 31, 2021. The benefit of £0.5 million arising in 2021 was primarily due to the full recognition of deferred tax assets in the UK by Alvarium Investments Limited. Specifically, the increased stake in LXi REIT Advisors Limited acquired during 2021, as well as improved results of Alvarium Investment Advisors in the United States, allowed for full recognition and utilization of the deferred tax assets.

The effective rate for the year ended December 31, 2022 of 11.7% has increased by 10.7% due to non-deductible expenses related to the transactions contemplated by the Business Combination Agreement, as referenced in the operating expense comments above, and non-deductible goodwill of £633 thousand. These amounts are offset by benefits due to non-taxable income arising on the disposal shares in the New Zealand based property companies in Q3 2022. This transaction qualified for the substantial shareholding exemption (SSE) and the revaluation of the UK corporate tax losses to reflect the increase in the enacted tax rate to 25% which takes effect from April 1 2023.

Profit attributable to non-controlling interests decreased by £(0.9) million for the year ended December 31, 2022 compared to the year ended December 31, 2021, due to a reduction in non-controlling interests held outside the group in both LXi REIT Advisors Limited and Alvarium Social Housing Advisors Limited, which became wholly owned.

Consolidated Results of Operations – The Year Ended December 31, 2021 compared to the Year ended December 31, 2020

The following table presents the results of operations for the year ended December 31, 2021 and 2020:

	Year ended December 31,		Favorable (Unfavorable)	
£‘000	**2021**	**2020**	**Change, £**	**Change, %**
Turnover	£ 75,164	52,263	22,901	44%
Cost of sales	(50,416)	(40,032)	(10,384)	(26)%
Gross profit	24,748	12,231	12,517	102%
Operating expenses net of other operating income	(26,159)	(17,528)	(8,631)	(49%)
Operating income / (loss)	(1,411)	(5,297)	3,886	73%
Other income / (expenses), net	4,430	2,086	2,344	112%
Interest expense, net	(1,608)	(481)	(1,127)	(234%)
Income / (loss) before taxation	**1,411**	**(3,692)**	**5,103**	**138%**
Income tax expense / (benefit)	(537)	315	222	70%
Income / (loss) for the financial period	1,948	(3,377)	5,325	158%
Income / (loss) for the financial period attributable to:				
The owners of the parent company	1,126	(4,845)	5,971	123%
Non-controlling interest	822	1,468	(646)	(44%)
	1,948	(3,377)	5,325	158%

N/M – Not meaningful

Turnover

The Year Ended December 31, 2021 compared to the Year Ended December 31, 2020:

£'000	Year ended December 31, 2021	Year ended December 31, 2020	Favorable (Unfavorable) Change, £	Favorable (Unfavorable) Change, %
Investment advisory	£ 27,078	£ 22,464	£ 4,614	21%
Co-investment	27,825	16,739	11,086	66%
Merchant banking	12,383	5,224	7,159	137%
Family office services	7,878	7,836	42	1%
Total Turnover	**£ 75,164**	**£ 52,263**	**£ 22,901**	**44%**

Investment advisory services revenue increased by £4.6 million, or 21%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase was primarily due to growth of management and advisory fees (which are calculated as a percentage of AUM/AUA) and performance fees. Investment advisory services revenue grew approximately in line with the divisional AUM growth of 22%. Additionally, performance fees grew to £2.4 million during the year ended December 31, 2021 from £1.7 million for the year ended December 31, 2020.

Co-investment services revenue increased by £11.1 million, or 66%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. The increase in co-investment services revenue was driven primarily through increased fees linked to capital raising. Specifically, increased fees were tied to growth in Alvarium Securities Limited, which increased £5.4 million year-over-year, from £3.9 million for the year ended December 31, 2020 to £9.3 million for the year ended December 31, 2021. Additionally, the increases in market capitalization of Home REIT PLC and LXi REIT PLC resulted in year-over-year fee increases of £2.4 million and £1.9 million, respectively.

Merchant banking services revenue increased by £7.2 million, or 137%, for the year ended December 31, 2021 compared to the year ended December 31, 2020. Because merchant banking fees are generally success- based, revenue during the first three quarters of the year ended December 31, 2020 was significantly affected by material market uncertainty from the COVID-19 pandemic that led to reduced merchant banking activity. Since Q4 2020, in line with improved market sentiment, there has been a significant increase in revenue from M&A advisory services including in early 2021, the formal closing after receiving necessary regulatory clearances, of a transaction announced in 2020. In addition, merchant banking services revenue increased due to the increased volume of equity and debt securities placed, benefitting from the general positive market activity in 2021 compared to 2020.

Family office services revenue for the year ended December 31, 2021 remained essentially flat with the revenue for the year ended December 31, 2020. Fees under family office services revenues are based on hourly staff charge out rates or fixed fee arrangements, and are not driven by changes in AUM.

Expenses

The Year Ended December 31, 2021 compared to the Year Ended December 31, 2020

Cost of sales increased by £10.4 million or 26% for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to staff bonus provisions and remuneration linked to revenue in the investment advisory and merchant banking divisions, which increased during the year ended December 31, 2021.

Operating expenses net of other operating income increased by £8.6 million or 49% for the year ended December 31, 2021 compared to the year ended December 31, 2020, due primarily to an increase of legal and other professional fees of £7.5 million driven in part by the transactions contemplated by the Business Combination Agreement as well as other business activity, and a decrease in other operating income by £0.9 million, which was offset by a decrease of £0.2 million in travel expenses resulting from the COVID-19 pandemic.

Other income / (expenses), net increased by £2.3 million or 112% for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to an increase of the share of profits of joint ventures by £1 million, an increase in share of profits of associates by £1 million, and an increase in income from other fixed asset investments of £0.5 million during the year ended December 31, 2021.

Interest expense, net of interest income increased by £1.1 million or 234% for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to newly issued subordinated shareholder loans of £8.65 million the proceeds of which were used to acquire a 2.4% increased stake in LXi REIT Advisors Limited in January 2021, which resulted in a £0.9 million increase in interest expense.

Income tax benefit increased by £0.2 million or 70% for the year ended December 31, 2021 compared to the year ended December 31, 2020, primarily due to the recognition of deferred tax assets in the UK by Alvarium Investments Limited. Specifically, the increased stake in LXi REIT Advisors Limited, as well as improved results of Alvarium Investment Advisors in the United States, allowed for full recognition and utilization of the deferred tax assets.

Profit attributable to non-controlling interests decreased by £0.7 million or 44% for the year ended December 31, 2021 compared to the year ended December 31, 2020, due to the acquisition of 100% of ownership stakes in both LXi REIT Advisors Limited and Alvarium Social Housing Advisors Limited during the year ended December 31, 2021.

Reconciliation of Consolidated UK GAAP Financial Measures to Certain Non-UK GAAP Measures

We use Adjusted Net Income and Adjusted EBITDA as non-UK GAAP measures to assess and track our performance. Adjusted Net Income and Adjusted EBITDA as presented in this Current Report on Form 8-K are supplemental measures of our performance that are not required by, or presented in accordance with, UK GAAP. For more information, see “Presentation of Financial Information.” The following table presents the reconciliation of income for the financial period as reported in the consolidated statement of comprehensive income to Adjusted Net Income and Adjusted EBITDA:

£‘000	For the year ended December 31, 2022	2021
Adjusted Net Income and Adjusted EBITDA		
Profit/(Loss) for the financial period before taxes	(51,287)	1,411
Equity settled share-based payments (a)	—	1
Other one-time fees and charges (b)	9,036	6,471
Fair value adjustments to strategic investments (c)	1,027	54
Long term incentive plan expenses (d)	30,898	—
Legal settlement (e)	5,873	—
Adjusted income before taxes	(4,453)	7,937
Adjusted income tax benefit	846	526
Adjusted Net Income	(3,607)	8,463
Joint ventures—Group share of Adjusted EBITDA (i)	2,185	3,003
Associates—Group share of Adjusted EBITDA (ii)	149	116
Interest expense, net	5,763	1,608
Income tax expense (benefit)	(4,770)	(537)
Adjusted income tax expense less income tax benefit	3,924	11
Depreciation and amortization	9,323	6,276
Adjusted EBITDA	12,967	18,940

(i) Joint venture—Adjusted EBITDA reconciliation

£'000	For the Year ended December 31, 2022	2021
Share of profit of joint ventures*	(264)	2,898
Adjustments:	—	—
Share of interest	478	429
Share of taxation	724	1,170
Share of amortization / depreciation	341	762
Amortization on consolidation	642	642
Total EBITDA Adjustments	2,185	3,003
Group share of reported EBITDA	**1,921**	**5,901**

(ii) Associates – Adjusted EBITDA reconciliation

£'000	For the Year ended December 31, 2022	2021
Share of profit of associates*	760	1,411
Adjustments:	—	—
Share of interest	1	—
Share of Taxation	64	38
Share of amortization / depreciation	11	10
Amortization on consolidation	73	68
Total EBITDA Adjustments	149	116
Group share of reported EBITDA	**909**	**1,527**

* Share of profit of associates and of joint ventures was not included in the reconciliation, since these amounts were already part of "Loss for the financial year attributable to the owners of the parent company".

a) Represents non-cash equity-based compensation of Alvarium to its employees.

b) Represents other one-time fees and charges that management believes are not representative of the operating performance, which includes professional fees related to this Transaction. One-time fees and charges incurred are included in administrative expenses in the Consolidated Statement of Comprehensive Income.

c) Represents adjustment for unrealized (gains)/losses on Alvarium's investments.

d) Represents adjustment for one-time payments made under long term incentive plan (LTIP).

e) Represents adjustment for separation agreement expense recorded during the year ended December 31, 2022.

£'000	For the Year Ended December 31, 2021	2020
Adjusted Net Income and Adjusted EBITDA		
Profit (Loss) for the financial period before taxes	£ 1,411	£ (3,693)
Equity settled share-based payments (a)	1	7
COVID-19 Subsidies (b)	—	(760)
Other one-time fees and charges (c)	6,471	141
Fair value adjustments to strategic investments (d)	54	—
Adjusted income before taxes	7,937	(4,305)
Adjusted income tax benefit	526	458
Adjusted Net Income	8,463	(3,847)
Joint ventures—Group share of Adjusted EBITDA (i)	3,003	2,022
Associates—Group share of Adjusted EBITDA (ii)	116	124
Interest expense, net	1,608	481
Income tax benefit	(537)	(315)
Adjusted income tax expense less income tax benefit	11	(143)
Depreciation and amortization	6,276	6,357
Adjusted EBITDA	£ 18,940	£ 4,679

(i) Joint venture—Adjusted EBITDA reconciliation

£'000	Year ended December 31, 2021	2020
Share of profit of joint ventures*	**2,898**	**1,925**
Adjustments:		
Share of interest	429	364
Share of taxation	1,170	738
Share of amortization / depreciation	762	278
Amortization on consolidation	642	642
Total Adjustments	**3,003**	**2,022**
Group share of Adjusted EBITDA	**5,901**	**3,947**

(ii) Associates – Adjusted EBITDA reconciliation

£'000	Year Ended December 31, 2021	2020
Share of profit of associates*	**1,411**	**459**
Adjustments:		
Share of interest	—	—
Share of taxation	38	37
Share of amortization / depreciation	10	13
Amortization on consolidation	68	74
Total Adjustments	**116**	**124**
Group share of Adjusted EBITDA	**1,527**	**583**

* Share of profit of associates and of joint ventures was not included in the reconciliation, since these amounts were already part of "Loss for the financial year attributable to the owners of the parent company".

a) Represents non-cash equity-based compensation of Alvarium to its employees.

b) Represents COVID-19 subsidies received from the governments of Hong Kong, Singapore, the UK and the United States.

c) Represents other one-time fees and charges that management believes are not representative of the operating performance, which includes professional fees related to this Transaction.

d) Represents adjustment for unrealized (gains)/losses on Alvarium's investments. One-time fees and charges incurred are included in administrative expenses in the Consolidated Statement of Comprehensive Income.

Liquidity and Capital Resources

Management assesses liquidity in terms of our ability to generate cash to fund operating, investing and financing activities. Management believes that our liquidity will continue to be sufficient for Alvarium's foreseeable working capital needs, contractual obligations, distribution payments and strategic initiatives.

Sources and Uses of Liquidity

Our primary sources of liquidity are: (1) cash on hand; (2) cash from operations, including investment advisory fees, which are generally collected quarterly; and (3) net borrowing from our credit facilities. As of December 31, 2022, our cash and cash equivalents were £7.2 million, we had £50.3 million of debt outstanding inclusive of the £40.0 million outstanding under a subordinated shareholder loan, and availability under our credit facilities of £2.5 million. The outstanding debt balances as of December 31, 2022, were settled upon completion of the Business Combination. Our ability to draw from the credit facilities is subject to minimum management fee and other covenants. We believe that these sources of liquidity will be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business and under the current market conditions for the foreseeable future. Market conditions resulting from the COVID-19 pandemic may impact our liquidity. Cash flows from management fees may be impacted by a slowdown or declines in deployment, declines, or write downs in valuations, or a slowdown or negatively impacted fundraising. Declines or delays in transaction activity may impact our product distributions and net realized performance income which could adversely impact our cash flows and liquidity. Market conditions may make it difficult to extend the maturity of, or refinance, our existing indebtedness or obtain new indebtedness with similar terms.

We expect that our primary liquidity needs will continue to be to: (1) provide capital to facilitate the growth of our existing alternative asset and wealth management businesses; (2) provide capital to facilitate our expansion into businesses that are complementary to our existing investment management and advisory businesses as well as other strategic growth initiatives; (3) pay operating expenses, including cash compensation to our employees; (4) fund capital expenditures; (5) service our debt; (6) pay income taxes; and (7) make dividend payments to our shareholders in accordance with our distribution policy.

In the normal course of business, we expect to pay distributions that are aligned with the expected changes in our fee related earnings. If cash flow from operations were insufficient to fund distributions over a sustained period of time, we expect that we would suspend or reduce paying such distributions. In addition, there is no assurance that distributions would continue at the current levels or at all.

Our ability to obtain debt financing provides us with additional sources of liquidity. For further discussion of financing transactions occurring in the current period and our debt obligations, see “Cash Flows” within this section, “Note 16. Debtors” and “Note 18. Creditors: amounts falling due within one year” to our consolidated financial statements included in this Current Report on Form 8-K.

Cash Flows

The Year ended December 31, 2022 Compared to the Year ended December 31, 2021

	Year Ended December 31,		Favorable (Unfavorable)	
£‘000	**2022**	**2021**	**Change, £**	**Change, %**
Net cash (used in)/provided by operating activities	£ (3,868)	£ 14,452	£(18,320)	N/M
Net cash provided by/(used in) investing activities	3,591	(9,747)	£ 13,338	N/M
Net cash used in financing activities	(6,008)	(39)	£ (5,969)	N/M
Net change in cash and cash equivalents	**£ (6,285)**	**£ 4,666**	**£(10,951)**	**N/M**

N/M – Not meaningful

Operating Activities

Net cash provided by operating activities decreased by £(18.3) million, from £14.5 million for the year ended December 31, 2021 to £(3.9) million for the year ended December 31, 2022. This change was driven by a significant decrease in operating results due to higher personnel costs and an increase in administrative costs of £10.1 million.

Investing Activities

Net cash from investing activities was £3.6 million and net cash used from investing activities was £(9.8) million for the years ended December 31, 2022 and 2021, respectively. The increase of £13.4 million was primarily driven from the sale of interests in associates and joint ventures resulting in proceeds of £4.7 million, cash receipts from the repayment of advances and loans totaling £1.5 million. Additionally, there was a decrease in cash payments used for transactions with equity holders during the year ended December 31, 2022 resulting in a year-over-year change of £6.3 million.

Financing Activities

Net cash used in financing activities was £(6.0) million and £(0.1) million for the years ended December 31, 2022 and 2021, respectively. The decrease of £(6.0) million was primarily driven by the interest paid on a subordinated shareholder loans in connection with the acquisition of management rights from Prestbury Investment Partners Limited.

Cash Flows

The Year Ended December 31, 2021 Compared to Year Ended December 31, 2020

£'000	Year ended December 31, 2021	2020	Favorable (Unfavorable) Change, £	Change, %
Net cash provided by operating activities	£ 14,452	£ 3,330	£ 11,122	N/M
Net cash used in investing activities	(9,747)	(2,502)	(7,245)	(290%)
Net cash (used in)/provided by financing activities	(39)	423	(462)	(109%)
Net change in cash and cash equivalents	**£ 4,666**	**£ 1,251**	**£ 3,415**	**273%**

N/M – Not meaningful

Operating Activities

Net cash provided by operating activities increased £11.2 million, from £3.3 million for the year ended December 31, 2020 to £14.5 million for the year ended December 31, 2021. This change was driven by improved financial performance in both the Merchant Banking and Co-Investment divisions as noted in the turnover section and an £11.1 million increase attributable to changes in trade and other creditors balances, from £4.0 million during the year ended December 31, 2020 to £15.1 million during the year ended December 31, 2021.

Investing Activities

Net cash used in investing activities was £(9.8) million and £(2.5) million for the years ended December 31, 2021 and 2020, respectively. The change of £(7.3) million was primarily driven by additional cash outflows of £(6.3) million related to the acquisitions of further shares in LXi REIT Advisors Limited and Alvarium Social Housing Advisors Limited and a £(0.9) million increase in cash advances and loans granted.

Financing Activities

Net cash used in financing activities was £(0.1) million for the year ended December 31, 2021 compared to net cash provided by financing activities of £0.4 million for the year ended December 31, 2020. The change of £(0.5) million was primarily driven by an increase of £(0.3) million in cash used to pay interest and an increase £(0.4) of cash used to pay dividends during the year ended December 31, 2021 as compared to the year ended December 31, 2020

Commitments and Contingencies

In the normal course of business, we may engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications, transaction bridging and potential contingent repayment obligations. We do not have any off-balance sheet arrangements that would require us to fund losses or guarantee target returns to investors.

Litigation

From time-to-time we may be involved in various legal proceedings, lawsuits and claims incidental to the conduct of our business, some of which may be material. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us.

Alvarium's subsidiary, LJ Management (IOM) Limited, is a co-respondent with others in a claim being brought by Ballacorey Wheat Limited and GEM Global Yield Fund Limited. LJ Management (IOM) Limited denies any liability and is defending the claim. However, if the claim succeeds, the liability (including costs) is materially covered by insurance. Please see additional information in the sections "Business of Alvarium Tiedemann" and "Historical Business of Alvarium" included in this Current Report on Form 8-K.

Home REIT plc ("**Home REIT**") is a real estate investment trust company listed on the London Stock Exchange. Alvarium Fund Managers (UK) Limited ("**AFM UK**") is its alternative investment fund manager (or "AIFM") and AHRA is its investment adviser. AFM UK is a wholly owned subsidiary of the Company. AHRA was owned by ARE, another member of the Group, up until 30 December 2022, when it was sold. As such, AHRA was not acquired by Cartesian Growth Corporation ("**Cartesian**") pursuant to the business combination between the Company, Cartesian and certain Tiedemann entities which completed on 3 January 2023 and formed Alvarium Tiedemann Holdings, Inc. ("**AlTi**"). Accordingly, AHRA has never been a member of AlTi's group (the "**AlTi Group**"). Notwithstanding the disposal of AHRA, Alvarium RE retained an option to reacquire AHRA and, consequently, AHRA has been included in the Group's consolidated financial statements for the financial year ending 31 December 2022 in accordance with applicable accounting requirements.

Since November 2022, Home REIT and AHRA have been the subject of allegations regarding Home REIT's operations, stemming from a report issued by a short seller. Following the publication of the short seller report, a UK law firm (Harcus Parker Limited) announced that it was seeking current and former shareholders of Home REIT to potentially bring claims in connection with the allegations. Harcus Parker's announcement states that claims will likely be brought against Home REIT itself, its directors, and AFM UK. Notwithstanding the Harcus Parker publication, as at the date of authorising these financial statements, no formal letter before action has been issued and no litigation has been commenced against Home REIT or AFM UK and we do not currently have visibility on the likelihood of litigation being commenced. Further, given the above, it is not possible at this point in time for us to reliably assess the quantum of any claims that may potentially be brought, though such quantum may potentially be material to the Group. If any litigation is commenced against AFM UK, we would anticipate that it may involve complex questions of law and fact and we may incur significant legal expenses in defending such litigation.

AlTi Group maintains insurance policies which are intended to provide coverage for various claims against members of group, subject to the terms and conditions of the relevant policy. Such policies include, among other things, indemnification for legal expenses. AlTi Group also has access to credit facilities to support the business, if required. These arrangements support the Company's directors' assessment of going concern and of its ability to address any potential financial impact arising from the above.

Related Party Transactions

Alvarium entered into the following transactions with related parties:

Loans receivable and Loans payable

Shareholder loans were granted to certain related parties with outstanding balances (including interest receivables) of £5.2 million and £5.8 million as of December 31, 2022 and December 31, 2021 respectively. Also, Alvarium issued cash advances to other holding companies with an outstanding balance of £0.6 million and £0.6 million as of December 31, 2022 and December 31, 2021, respectively.

Alvarium received loans from certain related parties with the balance of £0.2 million and £0.2 million as of December 31, 2022 and December 31, 2021 respectively.

Alvarium charged interest income on loans issued to certain related parties. As a result of these transactions, Alvarium recognized £0.2 million and £0.2 million of income for the year ended December 31, 2022 and year ended December 31, 2021 respectively.

Alvarium received subordinated loans from certain shareholders equal to £40 million to finance the acquisition of management rights from Prestbury Investment Partners Limited. Principal on the subordinated shareholder loans plus accrued and unpaid interest will become due and payable in 2023.

Advisory and Management services

Alvarium provided advisory and management services and charged interest income on loans issued to certain related parties. As a result of these transactions, Alvarium recognized £0.2 million and £0.2 million of income for the years ended December 31, 2021 and December 31, 2020, respectively.

For further discussion of related party transaction see "Note 30. Related party transaction" to our unaudited consolidated financial statements included in this Current Report on Form 8-K.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in compliance with UK GAAP. In applying many of these accounting principles, we need to make assumptions, estimates and/or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and/or judgments, however, are both subjective and subject to change, and actual results may differ from our assumptions and estimates. Actual results may also differ from our estimates and judgments due to risks and uncertainties and changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. For a summary of our significant accounting policies, see “Note 3. Accounting Policies”, to our consolidated financial statements included in this Current Report on Form 8-K.

Business Combinations

The accounting for the business combination was performed in accordance with Section 19 Business Combinations and Goodwill of UK GAAP. This guidance requires the acquiring entity in a business combination to recognize the fair value of all assets acquired, liabilities assumed and any non-controlling interest in the acquiree, and establishes the acquisition date as the fair value measurement point. Accordingly, we recognize assets acquired and liabilities assumed in business combinations, including contingent assets and liabilities and non-controlling interests in the acquiree, based on fair value estimates as of the date of acquisition. Goodwill remains the difference between the fair value of the consideration and the assets and liabilities acquired. Goodwill is always considered to have a finite useful life and is amortized over the useful life. If the expected useful life cannot be reliably measured, the useful life shall not exceed 10 years.

Discounted cash flow models are typically used in these valuations if quoted market prices are not available, and the models require the use of significant estimates and assumptions including, but not limited to:

(1) estimating future revenue, expenses and cash flows expected to be collected; and (2) developing appropriate discount rates, long-term growth rates, customer duration and portfolio attrition rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but we recognize that the assumptions are inherently uncertain. Please refer to Note 20, “Deferred consideration payable on acquisition”, within the historical consolidated financial statements included in this Current Report on Form 8-K, for more information on past acquisitions and the determination of fair value.

Revenue Recognition

We recognize revenue in accordance with Section 23 Revenue of UK GAAP. Section 23 Revenue provides recognition criteria for: (i) the sale of goods; (ii) rendering of services; (iii) construction contracts in which the entity is the contractor; and; (iv) interest, royalties and dividends. Section 23 Revenue requires that revenue for the rendering of services is recognized when the outcome of a transaction can be estimated reliably and that an entity shall recognize revenue associated with a transaction by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are met: (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Alvarium is following Section 23 Revenue recognition guidance for interest income and dividends. Interest income is recognized using the effective interest rate method. Dividend income is recognized when the right to receive payment is established.

AHRA Continued Consolidation

On December 30, 2022, ARE, an indirect wholly-owned subsidiary of Alvarium, entered into an agreement to sell 100% of the equity of AHRA to a newly formed entity owned by the management of AHRA, for aggregate consideration approximately equity to £24 million. The consideration comprised a 0% promissory note maturing December 31, 2023, subject to extension if mutually agreed upon by the parties thereto.

Additionally, ARE received a call option pursuant to which ARE has the right to repurchase AHRA prior to the repayment of the note for a purchase price equal to the loan balance then outstanding thereunder.

The consolidated financial statements and AUM/AUA figures include the accounts of AHRA. Subsidiaries are companies over which Alvarium has the power indirectly and/or directly to control the financial and operating policies so as to obtain benefits. In assessing control for accounting purposes, potential voting rights that are presently exercisable or convertible are taken into account. Although Alvarium does not presently have legal control of AHRA, it has a right to reacquire such legal control through the call option it holds and accordingly AHRA has been deemed to be a subsidiary for accounting purposes.

Income Taxes

We recognize income taxes in accordance with Section 29 Income tax of UK GAAP.

Income tax expense (benefit) consists of the aggregate amount of current and deferred tax recognized in the reporting period. Current tax is recognized on taxable profits for the current and past periods. We provide for potential current tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities, and use the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the reporting date that are expected to apply at the reversal of the timing difference.

Tax laws are complex and subject to different interpretations by the taxpayer and respective governmental taxing authorities. Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties under UK GAAP. We review our tax positions quarterly and adjust our tax balances as new information becomes available.

Quantitative and Qualitative Disclosures About Market Risk

Our primary exposure to market risk is related to our role as an investment adviser to our investment solutions and the sensitivity to movements in the market value of their investments, including the effect on management and advisory fees, performance fees and investment gains or losses. Even though the effects of COVID-19 on the financial markets has largely subsided and most countries have reduced or eliminated COVID-19-related restrictions, an increase in cases or the introduction of novel variants may continue to pose risks to financial markets.

In the normal course of business, we are exposed to a broad range of risks inherent in the financial markets in which we participate, including market risk, interest rate risk, credit risk and foreign exchange rate risk. Potentially negative effects of these risks may be mitigated to a certain extent by those aspects of our investment approach, investment strategies, fundraising practices or other business activities that are designed to benefit, either in relative or absolute terms, from periods of economic weakness, tighter credit or financial market dislocations.

Market Risk

The market price of investments may significantly fluctuate during the period of investment, which leads to changes in management and advisory fees (since they are calculated as a percentage of AUM/AUA). Investments may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of an investment may decline due to general market conditions, which are not specifically related to such investment, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. It may also decline due to factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. We believe the combination of high-quality proprietary pipeline and a consistent, rigorous approach to managing investments across our strategies has been, and we believe will continue to be, a major driver of our strong risk-adjusted returns and the stability and predictability of our income.

Interest Rate Risk

Alvarium has interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include cash and loan balances, all of which earn interest at fixed rates. As of December 31, 2022, Alvarium had a bank loan to fund expansion. Alvarium has a policy of agreeing medium to long-term revolving facilities with its bank in order to provide flexibility. The interest on this facility currently tracks the Sterling Overnight Index Average ("SONIA"), whereby the terms on debt drawn are 4.75% + SONIA. This bank loan was repaid in January 2023.

Credit Risk

We are party to agreements providing for various financial services and transactions that contain an element of risk in the event that the counterparties are unable to meet the terms of such agreements. In such agreements, we depend on the respective counterparty to make payment or otherwise perform. We generally endeavor to minimize our risk of exposure by limiting the counterparties with which we enter into financial transactions to reputable financial institutions. In other circumstances, availability of financing from financial institutions may be uncertain due to market events, and we may not be able to access these financing markets.

Foreign Currency Exchange Rate Risk

Although Alvarium receives a majority of its revenue in British pounds, which is its functional and reporting currency, Alvarium is exposed to foreign currency exchange risk, primarily with respect to the U.S. dollar, Swiss franc and the Hong Kong dollar. Alvarium does not believe the impact of a 10% increase or decrease in the exchange rate for British pounds and any of such currencies would have a significant material impact on its revenue. Alvarium does not currently hedge its foreign exchange exposure.

Liquidity Risk

Alvarium actively maintains a capital structure that involves the use of various debt facilities. This capital structure is designed to ensure that Alvarium has sufficient available funds for operations and planned expansions. Additionally, Alvarium ensures that its leverage is appropriate such that it has sufficient capital to repay any outstanding amounts on credit instruments when they become due.

Recent Developments

In July 2022, a subsidiary of Alvarium, LXi REIT Advisors Limited, acquired the rights to manage Secure Income REIT plc, by purchasing the existing shares of Prestbury Investments Partners Limited, for £40 million (this was connected to a wider transaction in which Secure Income REIT plc was itself acquired by LXi REIT plc, and LXi REIT Advisors Limited advises the combined entity). The acquisition was financed via a loan from Alvarium shareholders. This acquisition has been treated as an asset acquisition for accounting and reporting purposes.

Exhibit 99.4

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2022, 2021 and 2020

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

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KPMG LLP
1601 Market Street
Philadelphia, PA 19103-2499

Report of Independent Registered Public Accounting Firm

To the Managing Board and Members
Tiedemann Wealth Management Holdings, LLC:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial condition of Tiedemann Wealth Management Holdings, LLC and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audits.

We conducted our audits in accordance with the auditing standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

KPMG LLP

We have served as the Company's auditor since 2000.

Philadelphia, Pennsylvania
March 31, 2023

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Statements of Financial Condition

December 31, 2022 and December 31, 2021

Assets	2022	2021
Cash and cash equivalents	$ 7,130,936	8,040,237
Investments at fair value	144,905	1,045,272
Equity method investments	51,600	1,563,918
Fees receivable	19,539,591	20,018,781
Right-of-use assets	10,095,042	—
Intangible assets, net	20,578,203	15,483,147
Goodwill	25,464,386	22,184,797
Fixed assets, net	974,961	1,217,659
Notes receivable from members	1,161,303	1,701,994
Related party receivable	4,005,329	2,532,828
Other assets	2,601,184	1,268,212
Fair value of interest rate swap	241,225	—
Total assets	$91,988,665	75,056,845
Liabilities and Members' Capital		
Accrued compensation and profit sharing	$15,659,763	13,214,485
Accrued member distributions payable	11,421,836	4,000,000
Accounts payable and accrued expenses	8,073,238	4,439,168
Lease liabilities	10,712,588	—
Earn-in consideration, at fair value	1,519,400	—
Payable to equity method investees	—	1,042,608
Payable under delayed share purchase agreement	1,818,440	—
Term notes, line of credit and promissory notes	21,187,122	11,697,122
Fair value of payout right	3,661,576	—
Fair value of interest rate swap	—	34,502
Deferred tax liability, net	82,270	106,988
Deferred rent	—	500,912
Total liabilities	74,136,233	35,035,785
Commitments and contingencies (Note 11)		
Members' capital – Class A	2,548	5,711
Members' capital – Class B	18,607,325	39,582,385
Total members' capital	18,609,873	39,588,096
Accumulated other comprehensive income	(1,077,289)	—
Non-controlling interest	319,848	432,964
Total equity	17,852,432	40,021,060
Total liabilities and equity	$91,988,665	75,056,845

See accompanying notes to consolidated financial statements.

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Statements of Income

Years ended December 31, 2022, December 31, 2021 and December 31, 2020

	2022	2021	2020
Income:			
Trustee, investment management, and custody fees	$76,871,726	75,703,246	64,389,302
Total income	76,871,726	75,703,246	64,389,302
Operating expenses:			
Compensation and employee benefits	51,234,339	47,412,792	42,163,726
Systems, technology, and telephone	6,331,267	5,070,338	4,008,405
Occupancy costs	4,503,328	3,498,052	3,623,826
Professional fees	9,400,587	6,881,887	2,020,162
Travel and entertainment	1,723,970	566,102	245,723
Marketing	1,170,308	931,120	872,649
Business insurance and taxes	1,147,484	1,235,126	592,285
Education and training	38,582	34,764	36,726
Contributions, donations and dues	302,501	254,193	147,126
Depreciation and amortization	452,531	695,274	690,448
Amortization of intangible assets	1,886,396	1,356,267	1,223,923
Total operating expenses	78,191,293	67,935,915	55,624,999
Operating (loss) income	(1,319,567)	7,767,331	8,764,303
Other income (expenses)			
Interest and dividend income	206,482	56,588	33,408
Interest expense	(633,178)	(454,406)	(417,412)
Other investment (loss) gain, net	(96,609)	62,054	(221,844)
Change in fair value of payout right	(3,661,576)	—	—
Income (loss) on equity method investments (Note 6)	32,876	(3,051,619)	(404,430)
Earn-in consideration loss	(220,532)	—	—
Variable interest entity loss on investment (Note 3)	—	(146,264)	—
Change in fair value of interest rate swap	275,727	177,565	(212,067)
Other expense	(54,761)	(105,087)	(58,762)
Income before taxes	(5,471,138)	4,306,162	7,483,196
Income tax expense	(526,625)	(515,400)	(496,697)
Net (loss) income for the year	(5,997,763)	3,790,762	6,986,499
Net loss attributable to noncontrolling interest	113,116	148,242	—
Net (loss) income for the year attributable to the Company	$ (5,884,647)	3,939,004	6,986,499

See accompanying notes to consolidated financial statements.

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

Years ended December 31, 2022, December 31, 2021 and December 31, 2020

	2022	2021	2020
Net (loss) income for the period	$(5,997,763)	3,790,762	6,986,499
Other comprehensive income:			
Foreign currency translation adjustments	(1,077,289)	—	—
Comprehensive (loss) income	$(7,075,052)	3,790,762	6,986,499

See accompanying notes to consolidated financial statements.

**TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES**

Consolidated Statements of Changes in Equity

For the Years December 31, 2022, December 31, 2021 and December 31, 2020

	Class A	Class B	Total Members' Capital	Accumulated other comprehensive income	Non-controlling Interest	Total Equity
Equity as of January 1, 2020	$ 8,393	40,064,634	**40,073,027**	—	—	**40,073,027**
Member capital distributions	(496)	(4,811,876)	**(4,812,372)**	—	—	**(4,812,372)**
Reallocation of book capital as a result of member transactions	(866)	866	**—**	—	—	**—**
Loans to members	—	(625,778)	**(625,778)**	—	—	**(625,778)**
Repurchase of member units	—	(4,256,742)	**(4,256,742)**	—	—	**(4,256,742)**
Restricted unit compensation	36	1,145,348	**1,145,384**	—	—	**1,145,384**
Operations:						
Net income for the year	699	6,985,800	**6,986,499**	—	—	**6,986,499**
Equity as of December 31, 2020	$ 7,766	38,502,252	**38,510,018**	—	—	**38,510,018**
Equity as of January 1, 2021	$ 7,766	38,502,252	**38,510,018**	—	—	**38,510,018**
Reclassification of loans to members to notes receivable from members (Note 12a)	—	625,778	**625,778**	—	—	**625,778**
Non-controlling interest shareholders' equity	—	—	**—**	—	581,206	**581,206**
Member capital distributions	(2,281)	(9,016,634)	**(9,018,915)**	—	—	**(9,018,915)**
Reallocation of book capital as a result of member transactions	(1,127)	1,127	**—**	—	—	**—**
Restricted unit compensation	791	5,531,420	**5,532,211**	—	—	**5,532,211**
Operations:						
Net income (loss) for the year	562	3,938,442	**3,939,004**	—	(148,242)	**3,790,762**
Equity as of December 31, 2021	$ 5,711	39,582,385	**39,588,096**	—	432,964	**40,021,060**
Equity as of January 1, 2022	5,711	39,582,385	**39,588,096**	—	432,964	**40,021,060**
Member capital distributions	(2,374)	(17,456,405)	**(17,458,779)**	—	—	**(17,458,779)**
Reallocation of book capital as a result of member transactions	(287)	287	**—**	—	—	**—**
Restricted unit compensation	338	2,364,865	**2,365,203**	—	—	**2,365,203**
Operations:						
Net income (loss) for the year	(840)	(5,883,807)	**(5,884,647)**	—	(113,116)	**(5,997,763)**
Other comprehensive loss for the year	—	—	**—**	(1,077,289)	—	**(1,077,289)**
Equity as of December 31, 2022	$ 2,548	18,607,325	**18,609,873**	(1,077,289)	319,848	**17,852,432**

See accompanying notes to consolidated financial statements.

TIEDEMANN WEALTH MANAGEMENT HOLDINGS, LLC
AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Years ended December 31, 2022, December 31, 2021 and December 31, 2020

	2022	2021	2020
Cash flows from operating activities:			
Net (loss) income for the year	$ (5,997,763)	3,790,762	6,986,499
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization of intangible assets	1,886,396	1,356,267	1,223,923
Depreciation and amortization	452,531	695,274	690,448
Losses (gains) on investments	96,609	(51,472)	168,070
Loss on earn-in	220,532	—	—
(Income) loss on equity method investments	(32,876)	3,050,350	399,137
Increase in fair value of payout right	3,661,576	—	—
(Increase) in fair value of interest rate swap	(275,727)	(177,565)	212,067
Restricted unit compensation	2,365,203	5,532,211	1,145,384
Deferred income tax (benefit)	(101,145)	(92,510)	60,271
Forgiveness of debt shareholder loan	618,750	—	—
Forgiveness of debt of notes receivable from members	263,055	—	—
Changes in operating assets and liabilities:			
Decrease (increase) in fees receivable	1,336,489	(2,648,439)	(1,707,970)
(Increase) decrease in other assets	(1,019,308)	1,019,184	(846,997)
Increase in related party receivable	(1,472,501)	(2,532,828)	—
Operating cash flow from operating leases	617,546	—	—
(Decrease) increase in deferred rent	(500,912)	132,925	82,075
Increase in accrued compensation and profit sharing	2,459,713	6,736,280	(1,129,665)
Decrease in payable to equity method investees	—	(297,842)	—
Increase in accounts payable and accrued expenses	2,279,226	2,373,690	627,337
Net cash provided by operating activities	6,857,394	18,886,287	7,910,579
Cash flows from investing activities:			
Cash acquired from consolidation of variable interest entity	470,923	5,900	—
Loss on assets acquired	—	146,265	—
Purchase of Holbein	(8,096,949)	—	—
Purchase of TIH shares	(381,560)	—	—
Receipt of payments of notes receivable from members	428,276	—	—
Loans to members	(300,542)	(1,076,216)	(583,356)
Purchases of investments	(223,858)	(1,138,722)	(1,030,665)
Purchases of equity method investments	(265)	(1,236,076)	(1,213,030)
Cash payment associated with TG contigent consideration	—	—	(6,434,493)
Distributions from investments	4,170	36,773	4,511
Sales of investments	1,027,596	778,636	2,138,699
Purchases of fixed assets	(156,337)	(2,056)	(485,839)
Net cash used in investing activities	(7,228,546)	(2,485,496)	(7,604,173)
Cash flows from financing activities:			
Member distributions	(9,835,345)	(8,581,947)	(3,250,205)
Payments on term notes and line of credit	(2,810,000)	(7,060,000)	(8,120,000)
Borrowings on term notes and lines of credit	12,300,000	6,500,000	13,800,000
Payments on promissory notes	—	(2,786,293)	(3,151,831)
Net cash used in financing activities	(345,345)	(11,928,240)	(722,036)
Effect of exchange rate changes on cash	(192,804)	—	—
Net (decrease) increase in cash	(909,301)	4,472,551	(415,630)
Cash and cash equivalents at beginning of the year	8,040,237	3,567,686	3,983,316
Cash and cash equivalents at end of the year	$ 7,130,936	8,040,237	3,567,686
Supplemental disclosure of cash flow information:			
Cash paid during the period for:			
Income taxes	$ 605,853	618,721	311,958
Interest payments on term notes and line of credit	622,344	297,808	327,236
Supplemental disclosure of noncash investing activities:			
Non-cash purchase of equity method investment	—	297,842	—
Non-cash delayed share purchase agreement	1,818,440	—	—
Supplemental disclosure of noncash financing activities:			
Non-cash equity issuance	—	2,505,153	5,568,480
Non-cash repurchase of units with notes payable	—	6,000	2,797,552
Non-cash repayment of notes receivable in lieu of cash member distribution	201,599	—	—

See accompanying notes to consolidated financial statements.

(1) Description of the Business

Tiedemann Wealth Management Holdings, LLC ("the Company") was incorporated in the state of Delaware on December 5, 2007, as a limited liability company. The Company's members' capital consists of Class A shares (voting) and Class B shares (nonvoting). The Company was formed for the purpose of serving as a holding company for its two main subsidiaries, Tiedemann Trust Company ("TTC") and Tiedemann Advisors, LLC ("TA") and to serve as a platform to build out the operating presence of these Tiedemann businesses. At December 31, 2022 the Company's consolidated financial statements also include the subsidiaries Tiedemann Wealth Management Holdings, Inc., TWMH Investments, Inc., Tiedemann Wealth Management GP, LLC, Integrated Wealth Platform, Inc., Holbein Partners, LLP and Tiedemann International Holdings, AG.

TTC acts as a limited purpose trust company, conducting business principally in a trust or fiduciary capacity. TTC provides highly qualified investment and trust services, and objectively allocates all trust assets to independent, individual managers around the world. TTC's primary regulator is the Delaware Office of the State Bank Commissioner ("the Commission") and has its offices in Wilmington, Delaware. The Commission has communicated to the Company that it has established a policy that all trust companies have a minimum of 0.25% of managed assets in capitalization.

TA is a Registered Investment Advisor with the Securities and Exchange Commission. TA currently has offices in New York, New York; San Francisco, California; Seattle, Washington; Palm Beach, Florida; Dallas, Texas; Bethesda, Maryland; Portland, Oregon and Aspen, Colorado.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared under the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) and conforms to prevailing practices within the financial services industry, as applicable to the Company.

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to estimates and assumptions include the useful lives of fixed assets and intangibles, the valuation of investments, deferred tax assets, deferred tax liabilities, share based compensation, income tax uncertainties, and other contingencies. All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Goodwill

Goodwill represents the excess of the purchase price in a business combination over the fair value of the tangible and intangible assets acquired and the liabilities assumed. Under ASC 350, "Intangible—Goodwill and Other", goodwill is not amortized, but rather is subject to an annual impairment test.

The Company tests goodwill for impairment as of October 1 of each year, or more frequently if events or changes in circumstances indicate that this asset may be impaired. For the purposes of impairment testing, the Company has determined that it has one reporting unit. The Company's test of goodwill impairment starts with a qualitative assessment to determine whether it is necessary to perform a quantitative goodwill impairment test. If qualitative factors indicate that the fair value of the reporting unit is more likely than not equal to or more than its carrying amount, then no additional steps are necessary. If qualitative factors indicate that the fair value of the reporting unit is more likely than not less than its carrying amount, then a quantitative goodwill impairment test is performed. For the quantitative analysis, the Company compares the fair value of its reporting unit to its carrying value. If the estimated fair value exceeds its carrying value, goodwill is considered not to be impaired and no additional steps are necessary. However, if the fair value of the reporting unit is less than book value, then under the second step the carrying amount of the goodwill is compared to its implied fair value.

(c) Intangible assets other than goodwill, net

Other intangible assets are amortized over their estimated useful lives using the straight-line method. Customer relationships have estimated useful lives ranging from 11 to 20 years. Computer software has a useful life of 5 years. Trade names have estimated useful lives of 0.8 years.

(d) Impairment of long-lived assets

The Company's long-lived assets and identifiable intangibles that are subject to amortization are reviewed for impairment in accordance with ASC 360, "Accounting for the Impairment or Disposal of Long-Lived Assets" whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment indicators include any significant changes in the manner of the Company's use of the assets and significant negative industry or economic trends.

Upon determination that the carrying value of a long-lived asset may not be recoverable based upon a comparison of aggregate undiscounted projected future cash flows to the carrying amount of the asset, an impairment charge is recorded for the excess of the carrying amount over fair value.

The Company evaluates its long-lived assets, including property and equipment and intangible assets with finite lives, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable in accordance with ASC 360. Factors considered important that could result in an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of acquired assets, significant negative industry or economic trends, and a significant decline in the Company's stock price for a sustained period of time. The Company recognizes impairment based on the difference between the fair value of the asset and its carrying value. Fair value is generally measured based on either quoted market prices, if available, or a discounted cash flow analysis.

(e) Revenue Recognition

The Company accounts for revenue in accordance with ASC 606, "Revenue from Contracts with Customers". Revenues from contracts with customers consist of investment management, trustee, and custody fees. All trustee, investment management and custody fees are earned in the United States. Pursuant to ASC 606, the Company recognizes revenue at the time of transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under this standard, revenue is based on a contract with a determinable transaction price and a distinct performance obligation with probable collectability. Revenue is not recognized until the performance obligation is satisfied and control is transferred to the customer.

Investment management, trustee and custody fees are recognized over the period in which the investment management services are performed, using a time-based output method to measure progress. The amount of revenue varies from one reporting period to another as levels of assets under advisement ("AUA") change (from inflows, outflows, and market movements) and as the number of days in the reporting period change. No judgment or estimates by management are required to record revenue related to these transactions and pricing is clearly identified within the contract.

For services provided to each client account, the Company charges an investment management, inclusive of custody, and/or trustee fee based on the fair value of the AUA of such account representing a single performance obligation. For assets for which valuations are not available on a daily basis, the most recent valuation provided to the Company is used as the fair value for the purpose of calculating the quarterly fee. In certain circumstances, fixed fees are charged to customers on a monthly basis. The nature of the Company's performance obligation is to provide a series of distinct services in which the customer receives the benefits of the services over time. The Company's performance obligation is satisfied at the end of each month or quarter, as applicable to the contract with the customer. Therefore, none of the transaction price is allocated to an unsatisfied performance obligation as of December 31, 2022 and December 31, 2021.

Fees are charged quarterly in arrears based upon the market value at the end of the quarter. Receivable balances from contracts with customers are included in the fees receivable line in the Consolidated Statement of Financial Condition. The Company assesses impairment of fees receivable on a quarterly basis for receivables over 90 days. There were no impairment losses on such Fees Receivable as of December 31, 2022 and December 31, 2021.

Contract assets typically result from contracts when revenue recognized exceeds the amount billed to the customer, and right to payment is not just subject to the passage of time. Contract assets are transferred to fees receivable when the rights become unconditional. The Company had no contract assets as of December 31, 2022 and December 31, 2021.

Contract liabilities (deferred revenue) typically results from fees invoiced or paid by the Company's customers for which the associated performance obligations have not been satisfied and revenue has not been recognized. The Company had no contract liabilities as of December 31, 2022 and December 31, 2021.

The Company does not incur any incremental costs related to obtaining a contract with a customer that it would not have incurred if the contract had not been obtained. Therefore, no such costs have been capitalized in the Consolidated Statements of Financial Condition as of December 31, 2022 and December 31, 2021.

The Company recognizes and records interest income on the accrual basis when earned. Dividend income is recorded on the ex-dividend date.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of non-interest bearing balances on deposit, an interest-bearing money market mutual fund, and a mutual fund.

At December 31, 2022 and December 31, 2021, substantially all cash was held in checking accounts at a major financial institution which management believes is creditworthy. Cash held at financial institutions may exceed the amount insured by the Federal Deposit Insurance Corporation.

(g) Investments

The Company holds marketable securities at fair value in accordance with ASC 321, “Investments – Equity Securities”. Changes in fair value are recorded in Other investment gain (loss), net in the Consolidated Statements of Income.

During the years ended December 31, 2022 and 2021, the Company held interests in various affiliated limited partnerships and limited liability companies whose purpose is to achieve capital appreciation through investments in financial instruments and investment vehicles. The Company has concluded that these entities are variable interest entities and the Company determined it was not the primary beneficiary. Therefore, in accordance with ASC 810, “Consolidations”, the Company does not consolidate these entities, and accounts for their financial interests under the equity method of accounting.

In accordance with ASC 323, “Investments – Equity Method and Joint Ventures”, the Company accounts for investments in which it has significant influence but not a controlling financial interest using the equity method of accounting (see Note 6).

(h) Compensation and Employee Benefits

Compensation consists of (a) salary and bonus, and benefits paid and payable to employees and members and (b) stock-based compensation associated with the grants of restricted units to employees. Compensation cost relating to the grant of restricted Class B units is expensed on a straight-line basis over the vesting period of the award, which is generally between three and five years, or in certain cases, grants vest immediately. The fair value of restricted units is estimated based on a multiple of prior year revenue. The Company recognizes forfeitures as they occur.

(i) Fixed Assets

Equipment and furniture are stated at cost and depreciated using the straight-line method over the estimated useful lives of five years. Leasehold improvements are stated at cost and amortized using the straight-line method over the remaining term of the lease.

(j) Income Taxes

The Company is a limited liability company. Accordingly, at the Company level, federal, state, and local income taxes are the responsibility of its members. However, some of the Company's corporate subsidiaries account for income taxes under the provisions of Financial Accounting Standards Board Accounting Standard Codification Topic 740, *Income Taxes*. Deferred income taxes are provided based upon the net tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities. In addition, deferred income taxes are determined using the enacted tax rates and laws, which are expected to be in effect when the related temporary differences are expected to be reversed.

In accordance with GAAP, the Company is required to evaluate the uncertainty in tax positions taken or expected to be taken in the course of preparing the Company's consolidated financial statements to determine whether the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions with respect to tax deemed not to meet the "more-likely than-not" threshold would be recorded as a tax expense in the current year. The Company has concluded that there is no provision for uncertain tax positions required in the Company's consolidated financial statements. However, the Company's conclusions regarding this evaluation are subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations, and interpretations thereof.

(k) Other Assets

Other assets include prepaid expenses, miscellaneous receivables and software licenses. The Company amortizes assets over their respective useful lives, as applicable.

(l) Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with ASC 815, "Derivatives and Hedging," which requires the Company to recognize all derivative instruments on the balance sheet as either assets or liabilities and to measure them at fair value each reporting period unless they qualify for a normal purchase normal sale exclusion. Normal purchases and normal sales contracts are those that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold by a reporting entity over a reasonable period in the normal course of business. The Company uses an interest rate swap to manage its interest rate exposure on its long term debt, which is not designated as a cash flow hedge. Changes in the fair value of non-hedge derivatives are immediately recognized in earnings. See Note 15, "Accounting for Derivative Instruments and Hedging Activities" for more information.

(m) Segment Reporting

The Company measures its financial performance and allocates resources in a single segment. Therefore, the Company considers itself to be in a single operating and reportable segment structure. Accordingly, all significant operating decisions are based upon analysis of the Company as one operating segment. All of the Company's long-lived assets were located in, and all revenues from external customers were attributed to the United States, as of and for years ended December 31, 2022 and 2021.

(n) Leases

Effective January 1, 2022, the Company adopted ASC Topic 842, Leases ("ASC 842") using the optional transition method and applied the standard only to leases that existed at that date. Under the optional transition method, the Company does not need to restate the comparative periods in transition and will continue to present financial information and disclosures for periods before January 1, 2022 in accordance with ASC Topic 840. The Company has elected the package of practical expedients allowed under ASC Topic 842, which permits the Company to account for its existing operating leases as operating leases under the new guidance, without reassessing the Company's prior conclusions about lease identification, lease classification and initial direct cost. As a result of the adoption of the new lease accounting guidance on January 1, 2022, the Company recognized no cumulative adjustment to members' capital.

The Company determines the initial classification and measurement of its right-of-use assets and lease liabilities at the lease commencement date and thereafter if modified. The lease term includes any renewal options and termination options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its incremental borrowing rate. The incremental borrowing rate is determined by using the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment.

The Company has elected the practical expedient to not separate lease and non-lease components. The Company's non-lease components are primarily related to maintenance, insurance and taxes, which varies based on future outcomes and is thus recognized in lease expense when incurred.

(o) New Accounting Standards recently adopted by the Company

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases. Under ASC 842, the Company determines whether an arrangement is a lease at inception. Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the expected lease term. In determining the present value of lease payments, the Company uses its incremental borrowing rate based on the information available at the lease commencement date if the rate implicit in the lease is not readily determinable. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record right-of-use assets and lease liabilities for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less may be accounted for similar to existing guidance for operating leases today and are not recorded on the Company's balance sheet. For non-public entities, ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021, including interim periods within those fiscal years, and early adoption is permitted. The Company adopted the new standard as of January 1, 2022 on a modified retrospective basis with no cumulative adjustment to members' capital as of the adoption date. The Company elected to take the practical expedient to not separate lease and non-lease components as part of the adoption. Lease agreements entered into after the adoption of Topic 842 that include lease and non-lease components are accounted for as a single lease component. Beginning on January 1, 2022, the Company's operating leases, excluding those with terms less than 12 months, were discounted and recorded as assets and liabilities on the Company's balance sheet. As of December 31, 2022, the Company had operating lease right-of-use assets of $10,095,042 and operating lease liabilities of $10,712,588 related to the leases recorded on its Consolidated Statements of Financial Condition.

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes. ASU 2019-12 eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. This guidance is effective for public business entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted, including in interim periods. The Company adopted this standard on January 1, 2022. The adoption of this standard did not have a material impact on the Company's operations or financial position.

(3) Variable Interest Entities and Business Combinations

(a) Integrated Wealth Platform, Inc

On January 15, 2021 ("the closing date"), the Company entered into a shareholder agreement to acquire a 25% interest in Integrated Wealth Platform, Inc (IWP). In accordance with ASC 810-50, Consolidation, the Company determined that IWP met the criteria for a variable interest entity, and the Company acquired a controlling financial interest due to the Company's control of IWP's Board of Directors. The Company acquired 40% of the outstanding common shares and 25% of the fully diluted shares, in exchange for $340,000 on the closing date. The fully diluted shares of IWP consist of common stock and Stock Option Appreciation Rights (SOARs) that were fully vested as of the closing date. The SOARs allow the holder to acquire shares of IWP common stock upon exercise for a de minimis amount. As of December 31 , 2022, no SOARs have been exercised. The SOARs expire 15 years after the grant date. The fair value of intangible assets related to the acquired IWP software at acquisition date was $689,822. The operating results of IWP from January 15, 2021 through December 31, 2021 and January 1, 2022 through December 31, 2022 are included in the Consolidated Statements of Income, and adjusted for the noncontrolling interest portion.

The acquired intangible asset, software, is being amortized on a straight-line basis over the estimated useful life of 5 years, which approximates the pattern in which the economic benefits of the intangible asset are expected to be realized. The amortization of software as a result of the IWP variable interest entity asset acquisition is included in the Company's Consolidated Statements of Income and was $138,092 and $132,344 for the years ended December 31, 2022 and 2021, respectively.

(b) Tiedemann International Holdings, AG

As discussed in Note 6, the Company owned 40% of Tiedemann International Holdings, AG ("TIH") as of December 31, 2021. TIH did not meet the criteria for a VIE under ASC 810-50 and was accounted for under equity method of accounting as of December 31, 2021. On January 7, 2022 ("the closing date"), the Company purchased an additional 9.9% of TIH shares from certain shareholders in exchange for $381,560 for a total interest of 49.9%. In addition, the Company entered into an agreement to purchase the remaining 50.1% of shares of TIH in exchange for a fixed consideration of $1,818,440 (the "Delayed Share Purchase") on or before December 31, 2022. The Company concluded that the additional purchase of shares required that a reevaluation of the previous VIE analysis of TIH be performed. In accordance with ASC 810-50, Consolidation, the Company determined that TIH met the criteria for a variable interest entity, and the Company acquired a controlling financial interest due to the Company bearing the risk of the outstanding equity and due to its financial support of TIH's operations and business ventures.

The financial operating results of TIH, converted from Swiss Francs to USD, are included in the Company's consolidated financial statements from the closing date. The Company has allocated the purchase price to the net assets acquired, including identifiable intangible assets acquired, and liabilities assumed, based on their estimated fair market values at the closing date. The excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill. The fair value of the total purchase consideration was $3,741,309, calculated as follows:

Cash consideration	$ 381,560
Delayed Share Purchase	1,818,440
Fair value of non-controlling interest previously held by the Company	1,541,309
Total purchase consideration transferred	$3,741,309

The Company recognized a gain of $41,309 on its previously-held NCI (See Note 5). The fair value was calculated using a discounted cash flow model and market multiples of comparable companies.

The following tables sets forth the fair values of the assets acquired and liabilities assumed in connection with the acquisition of TIH:

	Acquisition date fair value
Cash and cash equivalents	$ 274,682
Accounts receivable	31,382
Prepaid expenses	214,854
Other assets	1,674,333
Fixed assets	2,067
Goodwill	1,889,134
Intangible assets	990,717
Total assets	$ 5,077,169
Accounts payable and accrued expenses	1,259,434
Deferred tax liabilities, net	76,426
Total liabilities assumed	1,335,860
Total purchase consideration	$ 3,741,309

Goodwill is comprised of expected synergies for the combined operations and the assembled workforce acquired, which does not qualify as a separately recognized intangible asset. Below is a summary of the intangible assets acquired:

Intangible Asset	Fair value	Estimated useful life
Customer Relationships	$979,830	20 years
Trade Names	10,887	0.8 years
	$990,717	

Not included in total purchase consideration is the forgiveness of a promissory note of a certain shareholder upon the sale of his shares to the Company. The promissory note was related to the shareholder's original investment in TIH. The Company recognized an expense of $618,750 for the forgiveness of debt during the year ended December 31, 2022, which is included in Compensation and employee benefits in the Consolidated Statements of Income.

On December 22, 2022, the Company and TIH amended the Delayed Share Purchase Agreement. The amendment extended the consideration due date to January 31, 2023, or to such other date as the parties may agree, removed the Company's option to pay in shares, and increased the payment amount from $1,818,440 to $2,218,440. The $400,000 increase in the payment amount is compensatory in nature and is reflected in Compensation expense on the Consolidated Statements of Income, and in Accrued compensation and profit sharing on the Consolidated Statements of Financial Condition.

(c) Holbein Partners, LLP

Concurrently on the closing date, the Company issued a loan of $8,096,949 to TIH for the initial cash consideration of its acquisition of Holbein Partners, LLP ("HP"). The financial operating results of HP are included in the Company's consolidated financial statements from the closing date, due to its consolidation with HP's parent company, TIH.

The Company has allocated the purchase price to the net assets acquired, including identifiable intangible assets acquired, and liabilities assumed, based on their estimated fair market values at the closing date. The excess of the purchase price over the fair value of the net assets acquired is recorded as goodwill. The fair value of the total purchase consideration was $9,367,571 calculated as follows:

Cash consideration	$8,096,949
Earn-in consideration	1,270,622
Total purchase consideration transferred	$9,367,571

Included in total purchase consideration is contingent consideration which is payable to the selling shareholders based on revenue levels in 2023 and 2024. The contingent consideration was measured at fair value using estimates of future revenues as of the closing date and recorded as a liability of $1,270,622. The contingent consideration is expected to be paid in a combination of cash and the Company's equity on the second and third anniversaries of the closing date.

The following tables sets forth the fair values of the assets acquired and liabilities assumed in connection with the acquisition of HP:

	Acquisition date fair value
Cash and cash equivalents	$ 196,241
Accounts receivable	825,916
Prepaid expenses	303,371
Fixed assets	62,280
Goodwill	1,570,330
Intangible assets	6,698,835
Total assets	$ 9,656,973
Accounts payable and accrued expenses	289,402
Total liabilities assumed	289,402
Total purchase consideration	$ 9,367,571

Goodwill is comprised of expected synergies for the combined operations and the assembled workforce acquired, which does not qualify as a separately recognized intangible asset. Below is a summary of the intangible assets acquired:

Intangible Asset	Fair value	Estimated useful life
Customer Relationships	$6,631,170	15 years
Trade Names	67,665	0.8 years
	$6,698,835	

Not included in total purchase consideration is contingent compensatory earn-ins, which are payable to the selling shareholders that maintain certain service agreements through the second and third anniversary dates of the closing date. The compensatory earn-ins were measured at fair value using estimates of future revenues as of the closing date. The earn-ins are expected to be paid in a combination of cash and the Company's equity on the second and third anniversaries of the closing date. The Company recognized an expense of $3,715,754 for the earn-ins during the year ended December 31, 2022, which is included in Compensation and employee benefits in the Consolidated Statements of Income.

As part of the TIH and HL acquisitions, the Company incurred $117,118 and $0 of acquisition costs in the years ended December 31, 2022 and 2021, respectively, which are included in Professional Fees in the Consolidated Statements of Income.

(4) Amortization and impairment of intangible assets and goodwill

Total amortization of customer relationships for the years ended December 31, 2022, 2021 and 2020 was $1,675,177, $1,223,923 and $1,223,923 respectively. Total amortization of trade names for the years ended December 31, 2022, 2021 and 2020 was $73,127, $0 and $0, respectively. Total amortization of software for the years ended December 31, 2022, 2021 and 2020 was $138,092, $132,344 and $0, respectively.

	December 31, 2022			
	Weighted average amortization period	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets				
Amortizing intangible assets:				
Customer relationships	17.3	$27,900,920	(7,743,395)	20,157,525
Trade names	0.8	71,300	(71,300)	—
Software	5.0	691,743	(271,065)	420,678
Total		28,663,963	(8,085,760)	20,578,203
Total intangible assets		$28,663,963	(8,085,760)	20,578,203

	December 31, 2021			
	Weighted average amortization period	Gross carrying amount	Accumulated amortization	Net carrying amount
Intangible assets				
Amortizing intangible assets:				
Customer relationships	17.8	$21,000,000	(6,075,623)	14,924,377
Software	5.0	691,743	(132,973)	558,770
Total		21,691,743	(6,208,596)	15,483,147
Total intangible assets		$21,691,743	(6,208,596)	15,483,147

During the years ended December 31, 2022, 2021 and 2020, no triggering events were identified, and no impairment charge was recognized on goodwill from acquisitions and intangible assets.

	2022	2021
Balance as of January 1:		
Gross goodwill	$22,184,797	22,184,797
Accumulated impairment losses	—	—
Net goodwill as of January 1:	22,184,797	22,184,797
Goodwill acquired during the year	3,279,589	—
Impairment expense	—	—
	3,279,589	—
Balance:		
Gross goodwill	25,464,386	22,184,797
Accumulated impairment losses	—	—
Net goodwill:	$25,464,386	22,184,797

(5) Investments at fair value

Investments at fair value as of December 31, 2022 and December 31, 2021 are presented below:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Investments at fair value:				
Mutual Funds	$ 73,210	44,437	700,233	611,513
Exchange-traded funds	114,534	100,468	354,862	433,759
	$187,744	144,905	1,055,095	1,045,272

(6) Equity Method Investments

Equity method investments as of December 31, 2022 and December 31, 2021 are presented below:

	2022		2021	
	Cost	Carrying Value	Cost	Carrying Value
Equity method investments:				
TTC Multi-Strategy Fund, QP, LLC	$ 9,160	10,121	11,630	13,137
TTC Global Long/Short Fund QP, LP	3,939	4,136	4,439	5,264
Energy Infrastructure & Utility Fund QP, LP	739	2,713	1,609	3,169
TTC World Equity Fund QP, LP	12,286	15,363	13,086	21,109
Municipal High Income Fund QP, LP	4,456	4,785	3,701	4,132
TWM Partners Fund, LP	9,330	14,482	9,330	17,107
Tiedemann International Holdings AG	—	—	4,950,000	1,500,000
	$39,910	51,600	4,993,795	1,563,918

Tiedemann International Holdings AG

On October 24, 2019 ("the closing date"), the Company entered into a shareholder agreement to acquire 40% of the common stock of Tiedemann Constantia AG ("TC") in exchange for both cash and non-cash consideration in the amount of $4,950,000, as discussed further below. In accordance with ASC 810, *Consolidation*, the Company determined that TC did not meet the criteria for a variable interest entity, and the Company did not acquire a controlling financial interest. As the Company's investment provided the ability to exercise significant influence over operating and financial policies of TC, the Company accounted for the investment under the equity method of accounting.

In January 2021, all the ownership interest of TC was transferred to Tiedemann International Holdings AG ("TIH"), including the Company's 40% ownership interest. TIH owns the operating entity TC. In accordance with ASC 810, the Company determined that TIH did not meet the criteria for a variable interest entity, and the Company did not acquire a controlling financial interest. As the Company's investment provided the ability to exercise significant influence over operating and financial policies of TIH, the Company accounted for the investment under the equity method of accounting.

In consideration for a portion of the interest in TC, the Company has agreed to make $3,000,000 in cash payments to fund TC's operating expenses. The Company made payments totaling $1,236,076 against this liability in the year ended December 31, 2021. As of January 7, 2022 the Company consolidates TIH (see below and Note 3); therefore, any payments to TIH including the corresponding reductions in the payable to TIH are not reflected in the year ended December 31, 2022. The cash payments in 2021 are included in the "Purchases of equity method investments" line item within investing activities in the Consolidated Statement of Cash Flows.

In consideration for a portion of the interest in TC, the Company has also entered into a five-year professional services agreement with TC, to provide services with an aggregate value of $1,200,000. The Company consolidates TIH beginning on January 7, 2022 (see below and Note 3); therefore, any services provided to TIH and corresponding reductions to the payable to TIH are not reflected in the year ended December 31, 2022. The Company billed TC $300,225 for professional services in the year ended December 31, 2021. This non-cash reduction to this payable is included in the “(Decrease) in payable to equity method investees” line item within operating activities in the Consolidated Statement of Cash Flows and presented as a supplementary non-cash investing activity on the Statement of Cash Flows.

In July 2021, TIH entered into a Business Combination Agreement with a London-based multi-family office, Holbein Partners LLP. On January 7, 2022, the TIH and Holbein business combination was closed. The Company loaned TIH the total cost of the business transaction, £5,966,021, which translated to $8,096,949. On January 31, 2022, the Company purchased stock from certain shareholders of TIH, bringing its total ownership of TIH to 49.9%. See Note 3 for more information.

In December 2021, the Company began discussions with a significant shareholder of TIH, to purchase additional TIH shares, at which time a valuation was performed, and it was concluded the Company’s investment in TIH was impaired. At December 31, 2021, the Company’s investment in TIH was valued at $1,500,000 and the Company recorded an impairment loss of $2,363,530.

The Company’s share of income and losses and recognition of other-than-temporary impairments are non-cash adjustments to net income. Such income, losses, and impairments are included in the line item ‘Income (loss) on equity method investments’ within operating activities in the Consolidated Statement of Cash Flows. As of January 7, 2022, TIH is no longer accounted for under the equity method of accounting and is consolidated as a variable interest entity. See Note 3 for more information.

The Company's original carrying value of the investment in TC was $4,950,000, which included the cash contribution agreement of $3,000,000, the professional services agreement of $1,200,000, and equity in the Company valued at $750,000. The current carrying value of the investment was $1,500,000 as of December 31, 2021. The following table presents the changes in the carrying value of the TC and TIH investment as of January 7, 2022 and December 31, 2021.

Carrying value as of December 31, 2020	$ 4,556,452
Company share of net income (loss) during 2021	(694,191)
2021 Foreign currency translation adjustment	1,269
Other-than-temporary impairment	(2,363,530)
Carrying value as of December 31, 2021	1,500,000
Fair value adjustment	41,309
Purchase of additional TIH shares	381,560
Delayed share purchase agreement remaining TIH shares	1,818,440
Carrying value as of January 7, 2022*	$ 3,741,309

* *Carrying value consolidated with TIH equity as of January 7, 2022, see Note 3b*

At December 31, 2021, the excess carrying value over the Company's share of net assets of equity method investees was $1,106,804, calculated as follows:

Carrying value of equity method investments as of December 31, 2021	$1,500,000
Company 40% share of net assets	(393,196)
Equity method goodwill as of December 31, 2021	$1,106,804

The Company elected not to amortize the equity method goodwill.

Summary unaudited financial information for TIH as of December 31, 2021 and 2020 is as follows:

	USD *	
	2021	**2020**
Financial Position:		
Current assets	$ 507,579	375,055
Financial assets	1,697,105	3,243,172
Fixed assets	2,624	21,554
Total assets	**$ 2,207,308**	**3,639,781**
Current liabilities	$ 1,224,318	996,990
Total liabilities	1,224,318	996,990
Stockholder's equity	2,595,997	4,095,357
Results of operations:		
Net operating (loss) profit	(1,613,007)	(1,452,566)
Total stockholder's equity	982,990	2,642,791
Total liabilities and stockholder's equity	**$ 2,207,308**	**3,639,781**

* The underlying financial statements for TIH were reported in Swiss Franc (CHF). The Company converted to USD using the average FX rate for each year.

(7) Fixed Assets

Fixed assets on December 31, 2022 and December 31, 2021 consisted of the following:

	2022	2021
Office equipment	$ 2,894,641	2,747,696
Less accumulated depreciation	(2,425,723)	(2,184,021)
Office equipment, net	468,918	563,675
Leasehold improvements	2,571,791	2,437,716
Less accumulated amortization	(2,065,748)	(1,783,732)
Leasehold improvements, net	506,043	653,984
Fixed assets, net	$ 974,961	1,217,659

Depreciation and amortization expense for the years ending December 31, 2022, 2021 and 2020 amounted to $452,531, $695,274 and $690,448, respectively.

(8) Fair Value Measurements

The Company classifies its fair value measurements using a three-tiered fair value hierarchy. The basis of the tiers is dependent upon the various "inputs" used to determine the fair value of the Company's assets and liabilities. Fair value is considered the value using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The inputs are summarized in the three broad levels listed below:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The following is a summary categorization, as of December 31, 2022 and December 31, 2021, of the Company's financial instruments based on the inputs utilized in determining the value of such financial instruments:

	December 31, 2022			
	Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs	Total
Assets:				
Mutual funds	$ 44,437	—	—	44,437
Exchange-traded funds	100,468	—	—	100,468
Interest rate swap	—	241,225	—	241,225
Liabilities:				
Earn-in consideration			1,519,400	1,519,400
Payout right			3,661,576	3,661,576
Total	$ 144,905	241,225	5,180,976	5,567,106

	December 31, 2021			
	Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs	Total
Assets:				
Mutual funds	$ 611,513	—	—	611,513
Exchange-traded funds	433,760	—	—	433,760
Liabilities:				
Interest rate swap	—	34,502	—	34,502
Total	$ 1,045,273	34,502	—	1,079,775

Derivative instruments consisting of interest rate swaps are recorded at fair value on the Company's consolidated balance sheets on a recurring basis and are classified as Level 2 within the fair value hierarchy as the fair value can be determined based on observable values of underlying interest rates. For further discussion of interest rate swaps, see Note 15, "Accounting for Derivative Instruments and Hedging Activities".

The fair value of earn-in consideration is based on expected future revenues discounted at the revenue discount rate less the risk-free rate of return, which approximated 6.8% as of December 31, 2022. It is classified as Level 3 within the fair value hierarchy. As of December 31, 2022, carrying value approximates fair value. For further discussion of earn-in consideration, see Note 3, "Variable Interest Entities and Business Combinations".

The fair value of the payout right is based on expected future payments weighted on the probability of a successful company sale transaction, discounted at the estimated term to transaction closing less the risk-free rate, which approximated 100% as of December 31, 2022. For further discussion and definition of the payout right, see Note 15, "Accounting for Derivative Instruments and Hedging Activities".

The following is a summary of the activity within Level 3 investments for the year ended December 31, 2022:

December 31, 2022	Liabilities		
	Earn-in consideration	Payout right	Total
Transfers into Level 3	—	—	—
Transfers out of Level 3	—	—	—
Purchases	—	—	—
Issuances	$1,519,400	3,661,576	5,180,976
Total	$1,519,400	3,661,576	5,180,976

There was no Level 3 investments or activity for the year ended December 31, 2021.

(9) Income Taxes

Income tax expense for the years ended December 31, 2022, 2021 and 2020 comprised the following:

	2022	2021	2020
Current tax expense			
Federal	$319,623	318,208	188,098
Foreign	84,182		
State and local	203,978	251,046	248,412
Total current tax expense	607,784	569,254	436,510
Deferred tax expense			
Federal	(64,116)	(42,945)	60,187
Foreign	(5,660)		
State and local	(11,382)	(10,909)	—
Total deferred tax benefit	(81,158)	(53,854)	60,187
Total	$526,625	515,400	496,697

The earnings and losses of the Company for federal and certain state tax jurisdictions are reported on the tax returns of the individual members. However, certain subsidiaries of the Company are taxpaying entities. During 2022, 2021 and 2020, the Company made distributions totaling $7,606,752, $5,012,912 and $1,812,372, respectively, for the purpose of the members' estimated federal, state, and local tax payments. The Company's state and local tax expense noted above is comprised of income taxes the Company and its subsidiaries are subject to in federal and state jurisdictions, including U.S. Federal Income Tax, Switzerland Income Tax, Maryland Income Tax, New York City Unincorporated Business Tax, Delaware Franchise Tax and Texas Franchise Tax. The Company also is subject to certain local and state gross receipts taxes, which are included in Business Licenses and Taxes on the Consolidated Statements of Income.

The Company's current net income tax and gross receipts tax payable was $186,020 and $188,547 as of December 31, 2022 and 2021, respectively, which is included in accounts payable and accrued expenses.

A reconciliation of the net deferred tax liability for the years ended December 31, 2022 and 2021, respectively, is presented below:

	2022	2021
Deferred tax assets		
Earn-in compensation	$ 920,102	—
Net operating loss carryforward	846,765	59,061
Capital Gains/Losses	46,375	23,936
Unrealized gains & losses, net	14,612	25,162
Book versus tax depreciation	18,229	15,493
Total deferred tax assets, gross	1,846,083	123,652
Less: valuation allowance	(1,761,600)	—
Net deferred tax assets	84,483	123,652
Deferred tax liabilities		
Book versus tax amortization	(112,461)	(153,439)
Compensation expense for employee unit awards	(51,159)	(74,936)
Other	(3,133)	(2,265)
Total deferred tax liabilities, gross	(166,753)	(230,640)
Deferred tax liabilities, net	$ (82,270)	(106,988)

At December 31, 2022, the Company has net operating loss carryforwards for federal income tax purposes of $284,649, which are available to offset future federal taxable income, if any, indefinitely. At December 31, 2022, the Company has net operating loss carryforwards for foreign income tax purposes of $6,403,638 which are available to offset future foreign taxable income, if any, between 2026 and 2029.

The Company evaluates the realizability of its deferred tax assets on a quarterly basis and may recognize or adjust any valuation allowance when it is more likely than not that all or a portion of the deferred tax asset may not be realized. As of December 31, 2022, the Company has not recognized a valuation allowance for expiring capital loss carryforwards, as the current carryforwards do not expire until December 31, 2025. As of December 31, 2022, the Company has recognized a valuation allowance of $727,575 for net operating loss carryforwards that it does not reasonably expect to fully recoup, due to three years of cumulative tax losses and the expiration of its oldest NOL carryforward on December 31, 2026. As of December 31, 2022, the Company has recognized a valuation allowance of $113,923 for book to tax differences of intangible asset amortization that it does not reasonably expect to recoup. As of December 31, 2022, the Company has recognized a valuation allowance of $920,102 for earn-in compensation expense that is expected to be treated as consideration when paid and not expected to be realized. As of and prior to December 31, 2022, the Company has not recognized any liability for uncertain tax positions.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the tax years that remain open under the statute of limitations will be subject to examination by the appropriate tax authorities. The Company is generally no longer subject to federal, state, or local examinations by tax authorities for tax years prior to 2019.

The Company had an effective tax rate of (10%), 12% and 7% for the years ended December 31, 2022, 2021, and 2020, respectively. The effective tax rates differ from the corporate statutory rate of 21.00% primarily due to the portion of losses and earnings attributable to pass-through entities, foreign domiciled entities, permanent differences and discrete state and local income taxes. A reconciliation of the U.S. federal income tax rate of 21.0% to the consolidated financial statements total tax expense for the year ended December 31, 2022, 2021 and 2020 is presented below:

	2022 Tax Effect
Pre-Tax book income for consolidated entity	21%
Pass-through entities	1%
Effect of foreign operations	-2%
Change in valuation allowances	-25%
State and local for non taxable entity	-2%
State and local	-1%
Other	-1%
	-10%

	2021 Tax Effect
Pre-Tax book income for consolidated entity	21%
Pass-through entities	-15%
State and local for non taxable entity	4%
Other	2%
	12%

	2020 Tax Effect
Pre-Tax book income for consolidated entity	21%
Pass-through entities	-18%
State and local for non taxable entity	3%
Other	1%
	7%

(10) Retirement Plans

The Company sponsors a defined–contribution 401(k) plan for the benefit of its employees. The plan allows employees to contribute up to 15% of salary subject to certain limitations on a pretax basis. At its discretion, the Company can make profit sharing plan contributions to the participants' accounts.

The Company accrued profit sharing contributions of $737,906, $719,711 and $611,411 during the years ended December 31, 2022, 2021 and 2020, respectively, which are included in Compensation and employee benefits on the Consolidated statements of income.

(11) Commitments and Contingencies

As of December 31, 2022, future minimum rental operating leases that have initial or non-cancelable lease terms of one year or greater aggregate to $11,614,688 are payable as follows:

	Total
2023	$ 2,851,762
2024	2,863,247
2025	2,221,949
2026	1,549,901
Thereafter	2,127,829
	11,614,688

As of December 31, 2022, future minimum printer, computer, and other non-cancelable technology leases that have initial terms of one year or greater aggregate to $188,013 and are payable as follows:

	Total
2023	$104,170
2024	73,040
2025	10,803
2026	—
	188,013

From time to time in the ordinary course of business, the Company may become subject to various legal proceedings. Some of these proceedings may seek relief or damages in amounts that may be substantial. Because these proceedings are complex, many years may pass before they are resolved, and it is not feasible to predict their outcomes. Some of these proceedings involve claims that the Company believes may be covered by insurance, and the Company advises its insurance carriers accordingly. There are no outstanding or pending litigations as of December 31, 2022.

(12) Related Party Transactions

(a) Loans to Members

As discussed in Note 13 and in conjunction with the grant of restricted units, certain employee members of the Company were offered promissory notes to pay their estimated federal, state and local withholding taxes owed by such members on the restricted unit compensation, which constitute loans to members. On December 31, 2020, promissory notes totaling $625,778 were issued by the Company, and bear interest at an annual rate of three and one quarter percent (3.25%). If at each of the first five one-year anniversaries of February 15, 2022, if the members' employment relationship has not been terminated for any reason, an amount equal to twenty percent (20%) of the principal and accrued interest, shall be forgiven. Upon termination of employment, any outstanding amount of loan not forgiven becomes due within 30 days.

In conjunction with the grant of restricted units in April 2021, certain employee members of the Company were offered $1,076,216 in promissory notes to pay their estimated federal, state and local withholding taxes owed by such members on these issuances. The April 2021 promissory notes accrued interest at an annual rate of 3.25%, and per the initial terms were due on February 15, 2022, or earlier in the event of a sale of the Company. On February 1, 2022, certain promissory notes were amended. Promissory notes totaling $1,367,673 were amended to be forgiven over five years beginning February 15, 2023, so long as the member is still an employee of the Company. Additionally, loans to members totaling $389,643 were amended to become due by December 31, 2022. These loans will be due on or before the closing date of the transaction discussed in Note 21.

On May 1, 2022, the Company issued and increased the promissory notes to certain employee members of the company. The increase in the promissory notes totaled $300,542.

For the years ended December 31, 2022 and 2021, the Company recognized $279,875 and $0, respectively, of forgiveness of principal debt and accrued interest as compensation expense.

The promissory notes are full legal recourse and have applicable default provisions, which allow the Company to enforce collection against all assets of the note holder, including Class B units which have been pledged as collateral. These loans are presented as Notes receivable from members on the Consolidated Statements of Financial Condition as of December 31, 2022 and December 31, 2021.

(b) Tiedemann Investment Group

The Company makes payments for the New York office leases to Tiedemann Investment Group ("TIG"), a related party. Total payments for the years ended December 31, 2022, 2021 and 2020 were $1,383,620, $1,070,240 and $1,126,055, respectively and are included in the Consolidated Statements of Income in occupancy expense. TIG is also a related party of Alvarium Tiedemann Capital LLC, discussed in Note 21. In 2021, the Company entered into a shared costs agreement with TIG, where certain transaction costs identified between the parties that are equally allocable are to be paid by the Company and treated as a receivable of the Company from TIG for its allocated share and reimbursed by TIG. Total costs paid by the Company for the years ended December 31, 2022 and 2021 that are allocable to TIG were $1,914,424 and $1,243,795, respectively. TIG made payments of $750,000 and $17,500 in the years ended December 31, 2022 and 2021, respectively, against this receivable. Total costs paid by TIG for the years ended December 31, 2022 and 2021 that are allocable to the Company were $865,593 and $0, respectively. The net receivable from TIG of $1,525,125 and $1,226,295 as of December 31, 2022 and 2021, respectively, is reported in Related party receivable on the Consolidated Statements of Financial Condition.

(c) Alvarium Investments Limited

Alvarium Investments Limited ("Alvarium") is a related party of Alvarium Tiedemann Capital LLC, discussed in Note 21. In 2021, the Company entered into a shared costs agreement with Alvarium, where certain transaction costs identified between the parties that are equally allocable are to be paid in full by the Company and treated as a receivable of the Company from Alvarium for its allocated share and reimbursed by Alvarium. Total costs paid by the Company for the years ended December 31, 2022 and 2021 that are allocable to Alvarium were $2,058,480 and $1,223,795, respectively. Total costs paid by Alvarium for the years ended December 31, 2022 and 2021 that are allocable to the Company were $754,281 and $0, respectively. Alvarium made payments of $299,982 and $217,984 in the years ended December 31, 2022 and 2021, respectively, against this receivable. The net receivable from Alvarium of $2,010,028 and $1,005,811 as of December 31, 2022 and 2021, respectively, is reported in Related party receivable on the Consolidated Statements of Financial Condition.

(d) Cartesian Growth Corporation

Cartesian Growth Corporation ("Cartesian") is a related party of Alvarium Tiedemann Capital LLC, discussed in Note 21. In 2021, the Company entered into a shared costs agreement with Cartesian, where certain transaction costs are to be paid in full by the Company and treated as a receivable of the Company from Cartesian for its allocated share and reimbursed by Cartesian. Total costs paid by the Company for the years ended December 31, 2022 and 2021 that are allocable to Cartesian were $169,453 and $300,722, respectively. Cartesian did not make any payments against this receivable in these years. The net receivable from Cartesian of $470,176 and $300,722 as of December 31, 2022 and 2021, respectively, is reported in Related party receivable on the Consolidated Statements of Financial Condition.

(13) Restricted Unit Grants

The Company amortizes the grant-date fair value of restricted unit grants on a straight-line basis over the vesting period of the award. The awards have certain terms that trigger immediate vesting, including a change in control. A change in control occurred at the close of the business transaction discussed in Note 21. In the years ended December 31, 2022, 2021 and 2020, the Company recorded $2,365,203. $5,532,211 and $1,145,383, respectively of stock-based compensation expense from restricted unit grants. As of December 31, 2022, the unrecognized compensation cost related to unvested restricted units was $4,240,610.

A summary of the Company's restricted grant units for the year ended December 31, 2022 is presented below:

	Number of Unvested Units	Remaining Unrecognized Grant-Date Fair Value
Unvested balance at January 1, 2022	446	$ 6,605,813
Granted		—
Vested	(161)	(2,365,203)
Unvested balance at December 31, 2022	285	$ 4,240,610

The Company has the right, but not the obligation, to repurchase vested restricted units at fair value upon resignation of any member who is employed by the Company. The repurchase price may be paid over three consecutive annual payments in the form of a Promissory Note. The Promissory Notes are interest bearing and are subject to prepayment without premium or penalty. The Company's annual payment obligation for all outstanding Promissory Notes is limited to 30% of the Company's net income; payment obligations exceeding this amount are deferred to future years. See Note 14, "Term Notes, Lines of Credit & Promissory Notes", for additional information.

(14) Term Notes, Line of Credit & Promissory Notes

(a) Term Notes

In March 2020, the Company entered into a $12,800,000 Commercial Loan identified as "Term Note B" with an unaffiliated national bank. The interest rate on this note is variable 1-month LIBOR plus 1.50%. In March 2020, the Company drew down the entire $12,800,000, utilizing $6,434,493 for the Threshold Group, LLC contingent consideration payment and paydown of the Company's previous term note, with the remaining amount deposited into the Company's bank account. There is no prepayment penalty on Term Note B. As of December 31, 2022 and 2021, $5,760,000 and $8,320,000 was outstanding under Term Note B, respectively. The estimated fair value of the long-term portion of Term Note B as of December 31, 2022 and 2021 was $5,760,000 and $3,200,000, respectively.

In March 2020, the Company entered into an Interest Rate Swap Agreement, with a notional value of $12,800,000 with the same unaffiliated national bank, which converted the variable rate of interest to a fixed rate of 2.60% on $12,800,000 of borrowings under the Commercial Loan. Term Note B requires $640,000 quarterly principal repayments, plus accrued interest which began in June 2020 and will continue for twenty quarters, ending with the last repayment on March 15, 2025.

In addition to standard operating covenants, the Company is subject to a Minimum Fixed Charge Coverage Ratio, a Minimum Tangible Net Worth Ratio, and a Maximum Leverage Ratio. The Company was temporarily in breach of the covenants during the year ended December 31, 2022, as a result of the transaction costs associated with the transaction discussed in Note 21, and debt, goodwill and intangible assets associated with the TIH and HL acquisitions discussed in Note 3. There are no financial penalties associated with this breach of compliance. The Term Note may be called or accelerated in the event of a change of control if the unaffiliated national bank does not provide its consent for the change in control.

(b) Line of Credit

In July 2021, the Company amended its $6,500,000 Revolving Line of Credit into a $7,500,000 Amended and Restated Revolving Line of Credit identified as “Line of Credit”. The interest rate on the Line of Credit will remain a variable 1-month LIBOR plus 1.50%.

In November 2021, the Company amended its $7,500,000 Revolving Line of Credit into a $14,500,000 Amended and Restated Revolving Line of Credit identified as “Line of Credit”. The interest rate on the Line of Credit was amended to the Daily Bloomberg Short-Term Bank Yield Index rate (“BSBY”) plus 1.50%.

On March 9, 2022, the Company’s Revolving Line of Credit expiration date was extended to March 13, 2023. On March 31, 2022, the Company’s Revolving Line of Credit was increased from $14.5 million to $15.5 million. In 2022, the Company drew $12,300,000 from and repaid $250,000 on the Revolving Line of Credit.

At December 31, 2022 and December 31, 2021, the estimated fair value of the long-term portion of the Line of Credit was $0 and $2,000,000, respectively. The estimated fair value of the long-term portion of the Line of Credit is $0 as of December 31, 2022 because it is considered short-term debt due to its current expiration date of March 13, 2023. At December 31, 2022 and 2021, $14,050,000 and $2,000,000 was outstanding on the Line of Credit, respectively.

(c) Promissory Notes

In November 2020, the Company issued a promissory note in exchange for Class B units from a certain member of the Company valued at $2,065,682. The Company will make principal payments, plus accrued interest at 3.25% per annum, which commenced on February 1, 2021. The remaining principal payments will be made at closing of the business transaction discussed in Note 21. As of December 31, 2022 and 2021, the estimated fair value of the long-term portion of the Promissory Notes was $0 and $688,561, respectively. At December 31, 2022 and 2021, $1,377,122 and $1,377,122 was outstanding on the Promissory Note, respectively.

The fair value of long-term debt is based on expected future cash flows discounted at current interest rates for similar instruments with equivalent credit quality and is classified as Level 3 within the fair value hierarchy. The current interest rate is based on the period-end LIBOR rate plus an applicable margin, which totaled 5.90% as of December 31, 2022 and 1.59% as of December 31, 2021. The fair value of the line of credit approximates carrying value because the credit facility has variable interest rates based on elected short term market rates. The fair value of the promissory note approximates carrying value because the note is due in less than 3 and 12 months as of December 31, 2022 and December 31, 2021, respectively.

A summary of the balances of the notes and lines of credit discussed above are presented below as of December 31, 2022 and 2021. Interest expense for these notes and lines of credit for the years ended December 31, 2022 and 2021 were $654,422 and $454,406, respectively, and are recorded in interest expense on the Consolidated Statements of Income.

	December 31, 2022			
	Carrying Value	Fair Value		
		Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs
Term Note B	$ 5,760,000	—	—	5,091,351
Promissory Notes	1,377,122	—	1,377,122	—
Line of Credit	14,050,000	—	14,050,000	—
	$ 21,187,122	—	15,427,122	5,091,351

		December 31, 2021		
	Carrying Value	Fair Value		
		Level 1 Quoted prices	Level 2 Observable inputs	Level 3 Unobservable inputs
Term Note B	$ 8,320,000	—	—	8,105,376
Promissory Notes	1,377,122	—	1,377,122	—
Line of Credit	2,000,000	—	2,000,000	—
	$ 11,697,122	—	3,377,122	8,105,376

The aggregate maturities of debt for each of the five years subsequent to December 31, 2022 are: $17,987,122 in 2023, $2,560,000 in 2024, $640,000 in 2025 and $0 in 2026.

(15) Accounting for Derivative Instruments and Hedging Activities

(a) Interest Rate Swap

In accordance with the amended and restated credit agreement described in note 14, Term Notes and Line of Credit, the Company has a fixed for floating interest rate swap for 100% of the outstanding commercial loan amount, intended to hedge the risks associated with floating interest rates. The Company pays its counterparty the equivalent of a fixed interest payment on a predetermined notional value, and quarterly the Company receives the equivalent of a floating interest payment based on a one-month LIBOR plus 1.5% from the effective date through the termination date. As of December 31, 2022 and 2021, the Company had a derivative asset of $241,225 and a derivative liability of $34,502, respectively, which was included in the Fair value of interest rate swap on the Consolidated Statements of Financial Condition.

(b) Payout Right

In the event of a Company Sale or Initial Public Offering, the Company partnership agreement entitles its non-employee and employee members who have had their membership units repurchased by the Company to participate in any equity valuation upside that occurs, specifically, if a definitive agreement is entered into with respect to such Company Sale within one year of a repurchase of units, such former members are entitled to an additional payment equal to the amount they would have received as part of such Company Sale less any amounts they were previously paid (the “Payout Right”).

In accordance with ASC 815, the Company treats the Payout Right as a derivative. As of December 31, 2022 and 2021, the fair value of the Payout Rights were $3,661,576 and $0, respectively.

(c) Impact of Derivative Instruments on the Consolidated Statement of Income

The effect of interest rate hedges is recorded to change in fair value of interest rate swap. For the years ended December 31, 2022 and 2021 the impact to the Consolidated Statements of Income was a gain of $275,727 and $177,565, respectively.

The effect of derivative instruments is recorded to change in fair value of payout right. For the years ended December 31, 2022 and 2021 the impact the Consolidated Statements of Income was a loss of $3,661,576 and $0, respectively.

(16) Earnings Per Unit

Basic and diluted income per unit amounts are calculated using the weighted-average number of units outstanding for the period. As discussed in Note 3, the earn-in consideration and compensation for the acquisition of Holbein requires 50% of the earn-in to be completed with units of the Company. These contingent units are not included in the computation of diluted earnings per unit because to do so would be antidilutive for the year ended December 31, 2022.

The following table reconciles net income and the weighted average units outstanding used in the computations of basic and diluted income per unit (in thousands, except for units and per unit data):

	2022	2021	2020
Net (Loss) Income attributed to the Company	$ (5,885)	$ 3,939	$ 6,986
Denominator:			
Weighted average units outstanding - basic and diluted	7,007	6,956	6,536
Per unit:			
Basic and diluted per unit	$(839.91)	$566.24	$1,068.85

(17) Equity

The Company has employee and non-employee members. Non-employee members have certain put options. At least 90 days prior to the end of each fiscal year ("Notice Year"), non-employee members may provide a put notice to the Company of the member's intent to exercise their put right to require the Company to purchase all or any of the Class B units held by the member. The total of any put notices received will be limited to 10% of the outstanding Class B Units.

The Company may deliver a voluntary call notice to its non-employee members, beginning 90 days after each Notice Year and ending 105 days after each Notice Year. The Company can call up to 20% of the outstanding Class B units.

As of December 31, 2022, there was 1 Class A share outstanding, and 7,006 Class B shares outstanding. As of December 31, 2021, there was 1 Class A share outstanding, and 7,006 Class B shares outstanding. There were no put notices placed by non-employee members in the years ended December 31, 2022 and 2021. There were no call notices placed by the Company in the years ended December 31, 2022 and 2021.

(18) Revenue

Under ASC 606, Revenue from Contracts with Customers, revenue is recognized when control of the promised goods or services is transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The following table represents the Company's revenue disaggregated by fee type for each of the years ended December, 2022, 2021 and 2020:

	2022	2021	2020
Income			
Investment management fees	$67,155,580	65,800,518	55,595,094
Trustee fees	6,734,440	6,950,064	5,577,239
Custody fees	2,981,706	2,652,439	3,216,969
Other	—	300,225	—
Total income	$76,871,726	75,703,246	64,389,302

(19) Leases

The Company determines whether an arrangement is a lease at inception. The Company has operating leases for office facilities. As of December 31, 2022, leases generally have remaining lease terms of up to 3 years, some of which include options to extend the lease term for up to 5 years. The Company considers these options in determining the lease term used to establish our right-of use assets and lease liabilities. The lease agreements do not contain any material residual guarantees or material restrictive covenants.

The Company recognizes lease liabilities at the present value of the contractual fixed lease payments discounted using our incremental borrowing rate, as the rate implicit in the lease is typically not readily determinable, as of the lease commencement date or upon modification of the lease.

The Company has lease agreements that contain both lease and non-lease components, and accounts for lease components together with non-lease components (e.g., common-area maintenance).

The components of lease expense for the year ended December 31, 2022 was as follows:

	2022
Operating Lease expense	$2,974,065
Variable lease expense	1,353,524
Short-term lease expense	143,723
Total lease expense	$4,471,312

Supplemental balance sheet information related to operating leases is as follows:

	Balance Sheet Classification	Dec 31, 2022
Right-of-use assets	Right-of-use Asset	$ 10,095,042
Current lease liabilities	Lease liabilities	2,531,210
Non-current lease liabilities	Lease liabilities	8,181,378

Weighted-average remaining lease term and discount rate for operating leases are as follows:

	Dec 31, 2022
Weighted-average remaining lease term	4.61%
Weighted-average discount rate	3.43%

As of December 31, 2022, the future minimum lease payments for the Company’s operating leases for each of the year’s ending December 31 were as follows:

2023	$ 2,851,762
2024	2,863,247
2025	2,221,949
2026	1,549,901
2027	890,877
2028 and beyond	1,236,952
Total lease payments	11,614,688
Less: Imputed Interest	(902,100)
Present value of lease liabilities	$10,712,588

(20) Interim Financial Data (Unaudited)

During the fourth quarter of 2022, we determined that errors existed in our interim consolidated financial statements. Specifically, we identified a promissory note which was forgiven in connection with the acquisition of Tiedemann International Holdings, which should have been recognized as compensation expense in accordance with ASC 710. Additionally, we identified a payout right liability (discussed in Note 15) related to the probable consummation of the de-SPAC transaction (discussed in Note 21) which should have been recognized in accordance with ASC 815. The errors were evaluated under the U.S. Securities and Exchange Commission's ("SEC's") authoritative guidance on evaluating the materiality of prior period misstatements to the Company's financial statements. We evaluated the error and concluded that it was not quantitatively or qualitatively material to the previously reviewed interim consolidated financial statements.

The following tables provide unaudited consolidated interim financial data for all the periods in the year ended December 31, 2022, which have been revised to correct for an immaterial error in prior periods affected as detailed below:

Consolidated Statements of Financial Condition	Year-to-date 3/31/2022	Year-to-date 6/30/2022	Year-to-date 9/30/2022
Other assets	4,413,113	4,907,579	6,687,066
Total assets	**89,596,660**	**88,122,726**	**86,603,778**
Fair value of payout right	184,074	182,970	364,228
Total liabilities	**54,294,235**	**55,511,675**	**57,831,925**

Consolidated Statements of Income	Year-to-date 3/31/2022	Year-to-date 6/30/2022	Year-to-date 9/30/2022
Compensation and employee benefits expense	13,559,743	25,420,933	37,468,444
Total operating expenses	**18,795,457**	**36,608,716**	**55,570,290**
Change in fair value of payout right	184,074	182,969	364,227
Net income for the year	**886,110**	**1,798,025**	**1,102,033**

(21) Subsequent Events

Based on management's evaluation there are no events subsequent to December 31, 2022 that require adjustment to or disclosure in the consolidated financial statements, except as noted below. Management evaluated events and transactions through and including March 31, 2023, the date these financial statements were available to be issued.

On September 19, 2021, the Company entered into a Business Combination Agreement (“the Transaction”) by and among Cartesian Growth Corporation (“SPAC”), Rook MS LLC, Alvarium Investments Limited (“Alvarium”), TIG Trinity GP, LLC, TIG Trinity Management LLC (TIG Trinity GP, LLC together with TIG Trinity Management LLC, the “TIG Entities”), and Alvarium Tiedemann Capital, LLC. Pursuant to the reorganization plan of the Business Combination Agreement, the Company, TIG Entities and Alvarium became the wholly owned subsidiaries of Alvarium Tiedemann Capital, LLC, which is the direct subsidiary of SPAC. Alvarium Tiedemann Capital, LLC, will receive the shares of SPAC upon closing and the SEC public registration. The successful completion of the Transaction closed on January 3, 2023.

On January 3, 2023, Alvarium Tiedemann Holdings, LLC, a subsidiary of Alvarium Tiedemann Capital, LLC, entered into a credit agreement with BMO Harris Bank N.A., (the “Credit Agreement”). The Credit Agreement repaid in full all obligations outstanding under the Term Note and Line of Credit discussed in Note 14.

On January 3, 2023, Alvarium Tiedemann Holdings, LLC repaid the promissory note discussed in Note 14.

Upon consummation of the Transaction on January 3, 2023, the Company settled the Payout Right discussed in Note 15.

Prior to the closing of the Transaction on January 3, 2023, Tiedemann Trust Company (“TTC”) was a consolidated entity of the Company. The change in control of TTC requires regulatory approval, which is expected in 2023. Since regulatory approval was not expected prior to the successful completion of the Transaction, TTC was required to be removed from the deal perimeter of the transaction. The Company entered into a zero-strike forward contract (“Forward Contract”). Under the terms of the Forward Contract, 100% of the equity interests of TTC will transfer to the Company in exchange for no additional consideration once regulatory approval for a change in control is received. Since the Forward Contract is an asset owned by the Company, inherently it was included in the net assets acquired by Alvarium Tiedemann Holdings in the Transaction.

Exhibit 99.5

Combined and Consolidated Financial Statements of

TIG Trinity Management, LLC and Subsidiary and
TIG Trinity GP, LLC and Subsidiaries

Years ended December 31, 2022, 2021 and 2020

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Financial Statements- Table of Contents

Years ended December 31, 2022, 2021, and 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Members
TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying combined and consolidated statements of financial position of TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries (collectively the “Company”) as of December 31, 2022 and 2021, and the related combined and consolidated statements of operations, changes in members’ equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “combined and consolidated financial statements”). In our opinion, the combined and consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 3 to combined and consolidated financial statements, the Company has changed its method of accounting for leases in 2022 due to adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

These combined and consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s combined and consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined and consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the combined and consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the combined and consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the combined and consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Citrin Cooperman & Company, LLP

We have served as the Company’s auditor since 2021.
New York, New York
April 14, 2023

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Statements of Financial Position

As of December 31, 2022 and December 31, 2021
(Expressed in United States Dollars)

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 1,592,407	$ 8,269,886
Restricted cash	6,749,971	—
Investments at fair value (Affiliated funds)	2,398,912	18,124,708
Fees receivable	16,040,100	38,364,976
Due from affiliated funds	4,030,000	—
Other receivable	140,000	—
Prepaid expenses	409,609	—
Total current assets	31,360,999	64,759,570
Non-current assets:		
Investments at fair value (Unaffiliated management companies, cost $102,850,052 as of December 31, 2022 and December 31, 2021)	146,130,520	125,904,375
Fixed assets, net of accumulated depreciation/amortization of $719,490 and $651,853 as of December 31, 2022 and December 31, 2021, respectively	140,654	208,291
Due from TIG/TMG	1,831,956	—
Lease right-of-use assets — operating	2,749,744	
Other assets	567,811	887,737
Total non-current assets	151,420,685	127,000,403
Total assets	$182,781,684	$191,759,973
Liabilities		
Current liabilities:		
Accrued compensation and profit sharing	$ 9,391,563	$ 8,387,350
Accounts payable and accrued expenses	9,131,708	4,641,964
Distributions due to members	17,540,857	—
Term loan, current portion	9,000,000	9,000,000
Lease liabilities — operating, current portion	1,183,882	—
Total current liabilities	46,248,010	22,029,314
Non-current liabilities:		
Term loan (net of current portion of debt issuance costs $298,423 and $339,151 as of December 31, 2022, and December 31, 2021, respectively)	33,451,577	33,410,849
Lease liabilities — operating, net of current portion	1,638,933	—
Due to TIG/TMG	—	2,207,280
Total non-current liabilities	35,090,510	35,618,129
Total liabilities	81,338,520	57,647,443
Total members' equity	101,443,164	134,112,530
Total liabilities and members' equity	$182,781,684	$191,759,973

See accompanying notes to the combined and consolidated financial statements

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Statements of Operations

Years ended December 31, 2022, 2021, and 2020
(Expressed in United States Dollars)

	December 31,		
	2022	**2021**	**2020**
Income:			
Incentive fees	$15,440,175	$42,110,201	$31,454,756
Management fees	44,103,544	44,503,127	35,674,081
Total income	59,543,719	86,613,328	67,128,837
Expenses:			
Compensation and employee benefits	18,704,341	17,650,647	15,370,636
Occupancy costs	1,406,241	1,351,776	1,310,686
Systems, technology, and telephone	2,454,291	2,625,512	2,238,433
Professional fees	2,984,071	4,465,190	1,539,659
Depreciation and amortization	184,650	164,958	164,958
Business insurance expenses	436,120	308,691	229,262
Interest expense	2,593,062	2,239,608	2,363,144
Travel and entertainment	1,191,416	454,351	323,505
Merger expenses	7,135,319	1,963,795	—
Other business expense	876,122	826,863	7,952,424
Total expense	37,965,633	32,051,391	31,492,707
Other income:			
Other investment gains	20,665,876	15,444,183	7,670,306
Income before taxes	42,243,962	70,006,120	43,306,436
Income tax expense	(841,285)	(1,456,647)	(748,000)
Net income	$41,402,677	$68,549,473	$42,558,436

See accompanying notes to the combined and consolidated financial statements

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Statements of Changes in Members' Equity

Years ended December 31, 2022, 2021, and 2020
(Expressed in United States Dollars)

Members' equity, beginning of 2020	$ 96,099,756
Member equity distributions	(54,745,665)
Member equity contributions	3,871,468
Net income	42,558,436
Members' equity, end of 2020	$ 87,783,995
Member equity distributions	(38,391,137)
Member equity contributions	16,170,199
Net income	68,549,473
Members' equity, end of 2021	$134,112,530
Member equity distributions	(74,072,043)
Member equity contributions	—
Net income	41,402,677
Members' equity, end of 2022	$101,443,164

See accompanying notes to the combined and consolidated financial statements

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Statements of Cash Flows

Years ended December 31, 2022, 2021, and 2020
(Expressed in United States Dollars)

	December 31, 2022	2021	2020
Cash flows from operating activities:			
Net income	$ 41,402,677	$ 68,549,473	$ 42,558,436
Adjustments to reconcile net income to net cash provided by operating activities:			
Other investment gains	(20,665,876)	(15,444,183)	(7,670,306)
Depreciation and amortization	184,650	164,958	164,958
Non-cash lease expense	1,108,520	—	—
Increase/decrease in operating assets and liabilities:			
Decrease/(increase) in fees receivable	22,324,876	(14,886,645)	(8,342,540)
Decrease/(increase) in other receivable	(140,000)	1,150,000	(1,150,000)
Decrease/(increase) in other assets	319,926	(523,932)	125,203
Increase in due from TIG/TMG	(1,831,956)	—	—
Increase in prepaid expenses	(409,609)	—	—
Increase in due to TIG/TMG	(2,207,280)	(4,823,944)	(202,284)
Increase in accrued compensation and profit sharing	1,004,213	2,333,389	6,701,176
Decrease in operating lease liabilities	(1,035,449)	—	—
Increase/(decrease) in accounts payable and accrued expenses	4,489,744	(3,383,952)	(2,096,436)
Net cash provided by operating activities	44,544,436	33,135,164	30,088,207
Cash flows from investing activities:			
Purchases of investments (affiliated funds)	(4,970,846)	(16,088,668)	(10,428,903)
Purchases of investments (unaffiliated management companies)	—	(13,925,652)	(27,000,000)
Sales of investments (affiliated funds)	17,106,373	11,451,845	38,887,560
Sales of investments (unaffiliated management companies)	—	75,600	—
Net cash provided by (used in) investing activities	12,135,527	(18,486,875)	1,458,657
Cash flows from financing activities:			
Member distributions	(56,531,186)	(38,391,137)	(54,745,665)

See accompanying notes to the combined and consolidated financial statements

TIG Trinity Management, LLC and Subsidiary and TIG Trinity GP, LLC and Subsidiaries

Combined and Consolidated Statements of Cash Flows (continued)

Years ended December 31, 2022, 2021, and 2020
(Expressed in United States Dollars)

Member contributions	—	16,170,199	3,871,468
Decrease in due from members	—	4,136,780	204,383
Drawdown of term loan	—	—	23,750,000
Repayment of term loan	—	(2,250,000)	—
Payment of debt issuance costs	(76,285)	—	(110,450)
Net cash used in financing activities	(56,607,471)	(20,334,158)	(27,030,264)
Net increase (decrease) in cash, cash equivalents and restricted cash	72,492	(5,685,869)	4,516,600
Cash, cash equivalents and restricted cash at beginning of year	8,269,886	13,955,755	9,439,155
Cash, cash equivalents, and restricted cash at end of year	$ 8,342,378	$ 8,269,886	$ 13,955,755
Supplemental disclosures of non-cash information:			
Current period recognition of operating lease right-of-use asset	$ 3,858,264	—	—
Current period recognition of operating lease liability	$ 3,858,264	—	—
Supplemental disclosures for non-cash financing activities:			
Additions to distributions payable	$ 17,540,857	—	—
Supplemental Cash Flow Information:			
Cash Paid for Taxes	$ 1,600,583	$ 199,960	$ 1,622,997
Cash Paid for Interest	$ 2,314,783	$ 2,250,383	$ 1,406,790
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents	$ 1,592,407	$ 8,269,886	$ 13,955,755
Restricted cash	$ 6,749,971	—	—
	$ 8,342,378	$ 8,269,886	$ 13,955,755

See accompanying notes to the combined and consolidated financial statements

1. Reporting Organization

TIG Trinity Management, LLC and TIG Trinity GP, LLC were formed in the State of Delaware on August 23, 2018 and became operationally active on November 1, 2018. TIG Trinity Management, LLC offers investment advisory services to its clients which currently include private investment funds and separately managed accounts (the “Funds”). TIG Trinity GP, LLC acts as the general partner to certain funds. Certain subsidiaries listed in Note 2 (b) have formation dates prior to August and November 2018.

2. Basis of Preparation

(a) Basis of Presentation

The accompanying combined and consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

(b) Basis of Combination and Consolidation

The combined and consolidated financial statements include TIG Trinity Management, LLC, and its wholly owned subsidiary, TIG Advisors LLC. TIG Trinity Management, LLC and its wholly owned subsidiary are combined with TIG Trinity GP, LLC and its wholly owned subsidiaries, TFI Partners LLC and TIG SL Capital LLC (collectively, the “Company”). TIG Trinity Management, LLC, TIG Trinity GP, LLC and Subsidiaries’ financial statements have been combined for presentation purposes. The financial position, results of operations and cash flows presented herein do not represent those of a single legal entity. These entities share common ownership, control, and management. All inter-company balances have been eliminated in consolidation. All significant inter-company accounts and transactions have been eliminated in combination.

The Company evaluates its relationships with other entities to identify whether they are variable interest entities (“VIEs”) as defined by Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 810, *Consolidation* (“ASC 810”) and assesses whether the Company is the primary beneficiary of such entities as defined under ASC 810. If the determination is made that the Company is the primary beneficiary, the entity in question is included in the combined and consolidated financial statements of the Company. Based on management’s analysis of the Company’s relationship with the private investment funds, the private investment funds are VIEs of the Company, but the Company is not the primary beneficiary of the private investment funds; therefore, the private investment funds have not been consolidated by the Company.

(c) Use of Estimates and Judgments

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

3. Significant Accounting Policies

The accounting policies as set out below have been applied consistently by the Company during the relevant years.

The significant accounting policies applied by the Company are as follows:

(a) Cash and Cash Equivalents

Cash comprises cash deposited with the bank which, at times, may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties. At December 31, 2022, cash is primarily held at Texas Capital Bank and J.P. Morgan in a U.S. noninterest-bearing checking account, which is Federal Deposit Insurance Corporation (“FDIC”) insured up to $250,000.

3. Significant Accounting Policies (continued)

(b) Restricted Cash

Restricted cash represents cash required to be held as a collateral reserve amount related to the term loan and is not available for general liquidity needs.

(c) Income Taxes

For income tax purposes, the Company reports income and expenses on an accrual basis and is treated as a partnership for federal and state income tax purposes. The individual owners (the “Members”) are required to report their respective shares of the Company’s taxable income or loss in their individual income tax returns and are personally liable for any related taxes thereon. Accordingly, no provision for federal income taxes is made in the combined and consolidated financial statements of the Company. The Company is subject to 4% New York City Unincorporated Business Tax.

The Company is subject to ASC 740, *Accounting for Uncertainty in Income Taxes*. This standard defines the threshold for recognizing the benefits of tax-return positions in the financial statements as “more-likely-than-not” to be sustained by the taxing authority and requires measurement of a tax position meeting the more-likely-than-not criterion, based on the largest benefit that is more than 50 percent likely to be realized. Management has analyzed the Company’s tax positions taken with respect to applicable income tax issues for all open tax years (in each respective jurisdiction) and has concluded that no provision for income tax is required in the Company’s combined and consolidated financial statements.

(d) Fixed Assets

Equipment and furniture are recorded at cost and depreciated using the straight-line method over the estimated useful lives of five years. Leasehold improvements are stated at cost and amortized using the straight-line method over the remaining term of the lease.

(e) Fair Value of Assets and Liabilities

Due to their nature, the carrying values of the Company’s financial assets such as fees receivable, other receivable, due from members and financial liabilities such as accounts payable and accrued compensation and due to TIG/TMG approximate their fair values.

(f) Leases

Effective January 1, 2022, the Company adopted ASC Topic 842, *Leases* (“ASC 842”) using the modified retrospective approach and applied the standard only to leases that existed at that date. Under the modified retrospective method, the Company does not need to restate the comparative periods in transition and will continue to present financial information and disclosures for periods before January 1, 2022 in accordance with ASC Topic 840. The Company has elected the package of practical expedients allowed under ASC Topic 842, which permits the Company to account for its existing operating leases as operating leases under the new guidance, without reassessing the Company’s prior conclusions about lease identification, lease classification and initial direct cost. As a result of the adoption of the new lease accounting guidance on January 1, 2022, the Company recognized no cumulative adjustment to members’ equity.

The Company determines the initial classification and measurement of its right-of-use assets and lease liabilities at the lease commencement date and thereafter if modified. The lease term includes any renewal options and termination options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its incremental borrowing rate. The incremental borrowing rate is determined by using the rate of interest that the Company would pay to borrow on a collateralized basis an amount equal to the lease payments for a similar term and in a similar economic environment.

The Company has elected the practical expedient to not separate lease and non-lease components. The Company’s non-lease components are primarily related to maintenance, insurance and taxes, which varies based on future outcomes and is thus recognized in lease expense when incurred.

(g) Income Recognition & Fees Receivable

Management fees and incentive fees are accounted for as contracts with customers. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Management Fees – The Company is entitled to receive management fees as compensation for administering and managing the affairs of the Funds. Management fees are normally received in advance each quarter and recognized monthly as services are rendered. The management fees for our affiliated funds are calculated using approximately 0.75% to 1.5% of the net asset value of the funds’ underlying investments. The management fees for our unaffiliated management companies are calculated using approximately 0.75% to 1.75% of the net asset value of the funds’ underlying investments. There are customer contracts that require the Company to provide investment services, which represents a performance obligation that the Company satisfies over

(Expressed in United States Dollars)

3. Significant Accounting Policies (continued)

time. All management fees are a form of variable consideration because the amount to which the Company is entitled varies based on fluctuations in the basis for the management fee. Management fees recognized for the years ended December 31, 2022, 2021, and 2020, totaled $44,103,544, $44,503,127, and $35,674,081 respectively, of which the Company recognized $31,762,911, $29,593,661, and $28,237,395 from its affiliated funds and $12,340,633, $14,909,466, and $7,436,686, from its profit and revenue-share investments in unaffiliated management companies for the years ended December 31, 2022, 2021, and 2020, respectively.

Incentive Fees – The Company is entitled to receive incentive fees if certain targeted returns have been achieved as stipulated in the governing documents. Incentive fees are normally received and recognized annually. The incentive fees for our affiliated funds are calculated using 15% to 20% of the net profit/income. The incentive fees for our unaffiliated management companies are calculated using 15% to 20% or 15% to 35%, subject to a 10% hurdle, of the net profit/income.. Incentive fees recognized for the years ended December 31, 2022, 2021, and 2020 totaled $15,440,175, $42,110,201, and $31,454,756, respectively, of which the Company recognized $7,311,553, $37,662,457, and $24,468,911, from its affiliated funds and $8,128,622, $4,447,744, and $6,985,845, from its profit and revenue-share investments in unaffiliated management companies for the years ended December 31, 2022, 2021, and 2020, respectively. All incentive fees are recognized when it is determined that they are no longer probable of significant reversal. Given the nature of each fee arrangement, contracts with customers are evaluated on an individual basis to determine the timing of revenue recognition. Significant judgement is involved in making such determination.

Fees receivable includes management and incentive fees earned during the years ended December 31, 2022 and 2021. The Company evaluates its fees receivable and establishes an allowance for doubtful accounts based on history of past write offs and collections. Fees receivable as of December 31, 2022, and 2021, totaled $16,040,100, and $38,364,976, respectively. There was no allowance at December 31, 2022 and 2021.

Unaffiliated management companies or external strategic managers are global alternative asset managers, with whom the Company makes strategic minority investments in and actively participates in order to leverage the collective resources and synergies to facilitate the growth of the respective businesses.

	Management Fees Years Ended December, 31		
	2022	**2021**	**2020**
Affiliated Funds	$31,762,911	$29,593,661	$28,237,395
Unaffiliated Management Companies	12,340,633	14,909,466	7,436,686
Total Management Fees	$44,103,544	$44,503,127	$35,674,081

	Incentive Fees Years Ended December, 31		
	2022	**2021**	**2020**
Affiliated Funds	$ 7,311,553	$37,662,457	$24,468,911
Unaffiliated Management Companies	8,128,622	4,447,744	$ 6,985,845
Total Incentive Fees	$15,440,175	$42,110,201	$31,454,756

(Expressed in United States Dollars)

3. Significant Accounting Policies (continued)

The table below presents our Total income by type and strategy for the years ended December 31, 2022, 2021 and 2020.

	Years Ended December, 31		
	2022	**2021**	**2020**
Management Fees:			
TIG Arbitrage	$31,762,911	$29,593,661	$28,237,395
Unaffiliated Management Companies:			
Real Estate Bridge Lending Strategy	6,691,889	10,713,629	5,565,930
European Equities	3,988,135	2,904,056	1,870,756
Asian Credit and Special Situations	1,660,609	1,291,781	—
Unaffiliated Management Companies Subtotal	12,340,633	14,909,466	7,436,686
Total Management Fees	$44,103,544	$44,503,127	$35,674,081
Incentive Fees:			
TIG Arbitrage	$ 7,311,553	$37,662,457	$24,468,911
Unaffiliated Management Companies:			
European Equities	8,094,405	2,540,170	6,985,845
Asian Credit and Special Situations	34,217	1,907,574	—
Unaffiliated Management Companies Subtotal	8,128,622	4,447,744	6,985,845
Total Incentive Fees	$15,440,175	$42,110,201	$31,454,756
Total Income	$59,543,719	$86,613,328	$67,128,837

(h) Other Investment Gains

Other investment gains include the unrealized and realized gains and losses on the Company's principal investments. Unrealized Income (Loss) on Investments results from changes in the fair value of the underlying investment, as well as the reversal of unrealized gains (losses) at the time an investment is realized.

(i) Investments & Fair Value Measurement

The Company elected to carry investments at fair value. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. A fair value hierarchy provides for prioritizing inputs to valuation techniques used to measure fair value into three levels:

Level 1-Unadjusted quoted prices in active markets for identical assets or liabilities.

3. Significant Accounting Policies (continued)

Level 2- Inputs other than quoted market prices that are observable, either directly or indirectly, and reasonably available. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Company.

Level 3-Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation. Investments that are included in this category generally include privately held investments with no liquidity.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The Members' use judgment in determining fair value of assets and liabilities and Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities. Investments are classified within Level 3 of the fair value hierarchy because they trade infrequently (or not at all) and therefore have little or no readily available pricing. Investments in private operating companies are classified within Level 3 of the fair value hierarchy. The Company has procedures in place to determine the fair value of the Company's Level 3 investments. Such procedures are designed to ensure that the applicable valuation approach is appropriate and that values included in these combined and consolidated financial statements are based on observable inputs when possible or that unobservable valuation inputs are reasonable.

Certain investments are measured at fair value using the net asset value (or its equivalent) practical expedient. U.S. GAAP permits the Company, as a practical expedient, to estimate fair value of an investment in an investment entity based on net asset value ("NAV") of the investment entity which is calculated in a manner consistent with the measurement principles of ASC Topic 946 *Financial Services-Investment Companies*. The Company's investments in investment companies represent interests in private investment companies that do not trade in an active market and represent investments that may require a lock up or future capital contributions based on existing commitments. The Members have elected to value the investment companies using the NAV of each investment company as reported by the investment company without adjustment, unless it is probable that the investment will be sold at a value significantly different than the reported NAV. If the reported NAV of an investment company is not calculated in a manner consistent with the measurement of accounting principles for investment companies generally accepted in the United States, then the Members adjust the reported NAV to reflect the impact of those measurement principles.

The Company does not have any commitments to the underlying investment companies, and redemptions are permitted on a monthly basis and require 30 days' notice. The strategies of the investment companies comprise is a broad range of investment techniques to achieve its primary objective of capital appreciation through all market cycles.

(j) Recent Accounting Pronouncements

In March 2020, FASB issued Accounting Standards Update ("ASU") No. 2020-04, *Reference Rate Reform: Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The new guidance primarily intends to provide relief to companies that will be impacted by the expected change in benchmark interest rates at the end of 2021, when participating banks will no longer be required to submit London Interbank Offered Rate (LIBOR) quotes by the UK Financial Conduct Authority (FCA). The new guidance allows companies to account for modifications as a continuance of the existing contract without additional analysis as long as the changes to existing contracts are limited to changes to an approved benchmark interest rate. For new and existing contracts, the Company may elect to apply the amendments as of March 12, 2020, through December 31, 2022. The Company is currently assessing the potential impact of the new guidance on the Company's combined and consolidated financial statements and related disclosures.

3. Significant Accounting Policies (continued)

In September 2016, the FASB issued ASU No. 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model (known as the current expected credit loss ("CECL") model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of lifetime expected credit losses, which the FASB believes will result in more timely recognition of such losses. The ASU is also intended to reduce the complexity of U.S. GAAP by decreasing the number of credit impairment models that entities use to account for debt instruments. Further, the ASU makes targeted changes to the impairment model for available-for-sale debt securities. The new CECL standard is effective for annual reporting periods beginning after December 15, 2022, and interim periods therein. The Company is in the process of evaluating the potential impact that this guidance will have on the combined and consolidated financial statements and related disclosures.

(k) Expenses

The Company will pay for all ordinary and extraordinary expenses incurred by it or on its behalf in connection with the management and operation of the Company, including without limitation, mailing, insurance, legal, auditing, reporting and accounting expenses, taxes, interest on borrowed monies, merger expenses, and third-party out-of-pocket expenses. Merger expenses include compensation, technology, and professional fees, such as but not limited to legal, audit, marketing, and consulting costs associated with the Business Combination detailed in Note 14. Expenses are recorded on an accrual basis.

(l) Subsequent events

The Company evaluates events and transactions that occur subsequent to December 31, 2022, but prior to the issuance of it's combined and consolidated financial statements that may require adjustment or disclosure in the statements. For any events or transactions that provide additional evidence with respect to conditions that existed as of December 31, 2022, 2021, and 2020 including the estimates inherent in the process of preparing financial statements, the Company recognizes such subsequent events through adjustment to the combined and consolidated financial statements. For any events that provide evidence with respect to conditions that did not exist as of, but arose subsequent to, December 31, 2022, 2021, and 2020, the Company considers whether disclosure of the event in Note 14 is appropriate but does not recognize such subsequent events through adjustment to the combined and consolidated financial statements.

(Expressed in United States Dollars)

4. Investments

	December 31, 2022	December 31, 2021
Investment in Affiliated Funds:		
TIG Arbitrage Associates Master Fund LP (TFI Partners LLC)	$ 213,905	$ 1,668,116
TIG Arbitrage Enhanced Master Fund LP (TFI Partners LLC)	178,617	14,668,140
TIG Arbitrage Enhanced, LP (TIG Advisors LLC)	1,895,465	1,611,065
TIG Sunrise Fund LP (TIG SL Capital LLC)	—	20,190
Arkkan Opportunities Feeder Fund, Ltd. (TIG Advisors LLC)	110,925	109,691
TIG Securitized Asset Master Fund LP (TIG SL Capital LLC)	—	47,506
	2,398,912	18,124,708
Investment in Unaffiliated Management Companies:		
Romspen Investment Corporation	72,523,098	74,496,906
Arkkan Capital Management Limited	16,691,692	15,887,115
Zebedee Asset Management	56,915,730	35,520,354
	146,130,520	125,904,375
Total Investments	$148,529,432	$144,029,083

The following table summarizes the valuation of the Company's investments by level within the ASC 820 fair value hierarchy as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investment -Unaffiliated Management Companies	$ —	$ —	$146,130,520	$146,130,520
Investments -Affiliated Funds (i)				2,398,912
Total				$148,529,432

The following table summarizes the valuation of the Company's investments by level within the ASC 820 fair value hierarchy as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investment -Unaffiliated Management Companies	$ —	$ —	$125,904,375	$125,904,375
Investments -Affiliated Funds (i)				18,124,708
Total				$144,029,083

(i) Certain investments that are measured at fair value using the net asset value (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the combined and consolidated statements of financial position.

There were purchases of $0 and $13,925,652 of Level 3 investments during the years ended December 31, 2022, and 2021, respectively. There were no transfers in or transfers out of Level 1, 2, or 3 for the years ended December 31, 2022, and 2021.

(Expressed in United States Dollars)

4. Investments (continued)

The following provides information on the valuation techniques and nature of significant unobservable inputs used to determine the value of Level 3 assets and liabilities. The inputs are not indicative of the unobservable inputs that may have been used for an individual asset or liability.

Quantitative Information about Level 3 Fair Value Measurements

Investments in Securities	Fair Value December 31, 2022	Valuation Methodology and Techniques	Unobservable Inputs	Range / Weighted Average
Investment in Unaffiliated Management Companies	$148,529,432	Discounted cash flow	Discount rate	16%-50% (32%)
			Long-term growth rate	3%

Investments in Securities	Fair Value December 31, 2021	Valuation Methodology and Techniques	Unobservable Inputs	Range
Investment in Unaffiliated Management Companies	$125,904,375	Discounted cash flow	Discount rate	26%-30% (28%)
			Long-term growth rate	3%

The primary unobservable inputs in the discounted cash flow methodology are the selected discount rate and the long-term growth rate. The discount rate selection for each investment was calibrated using the implied internal rate of return as of the original investment date, adjusted for certain market- and company-specific factors. A decrease to the unobservable discount rate input would have a corresponding increase to the fair value of the investment. The selected long-term growth rate for each investment was based on long-term GDP growth rates in the geographic locations of the underlying Unaffiliated Investment Manager, with consideration for general growth in the asset management industry. An increase to the unobservable growth rate input would have a corresponding increase to the fair value of the investment. There is not a specific interrelationship between these two unobservable inputs.

	Investments – Affiliated Funds Years Ended December, 31 2022	 2021
Balance at beginning of year	$ 18,124,708	$ 12,997,025
Gains/(losses) recognized in other income	439,731	490,860
Purchases	4,970,846	16,088,668
Sales	(21,136,373)	(11,451,845)
Balance at end of year	$ 2,398,912	$ 18,124,708

	Investments – Unaffiliated Management Companies Years Ended December, 31 2022	 2021
Balance at beginning of year	$125,904,375	$ 97,101,000
Gains/(losses) recognized in other income	20,226,145	14,953,323
Purchases	—	13,925,652
Sales	—	(75,600)
Balance at end of year	$146,130,520	$125,904,375

(Expressed in United States Dollars)

5. Fixed Assets

Fixed assets at December 31, 2022 and 2021, consisted of the following:

	December 31, 2022	2021
Office equipment	$139,520	$139,520
Less accumulated depreciation	139,520	128,220
Office equipment, net	—	11,300
Leasehold improvements	720,624	720,624
Less accumulated amortization	579,970	523,633
Leasehold improvements, net	140,654	196,991
Fixed assets, net	$140,654	$208,291

Depreciation and amortization expense was $184,650 for the year ended December 31, 2022, and $164,958 for the years ended December 31, 2021 and 2020.

6. Retirement Plans

The Company sponsors a defined contribution 401(k) plan for the benefit of its employees. The plan allows employees to contribute a percentage of their salary subject to certain limitations, set forth by the Internal Revenue Service, on a pretax basis. At its discretion, the Company can make profit sharing plan contributions to the participants' accounts. The Company's contributions for the years ended December 31, 2022, 2021, and 2020 were $284,462, $256,850, and $282,430, respectively, all of which was payable at year end and is included in accounts payable and accrued expenses on the combined and consolidated statements of financial position.

7. Related Party Transactions

Due from Members represents amounts advanced to Members for various expenses. This amount has no stated interest rate or repayment terms.

Due from/to TIG/TMG represents amounts owed to or from entities which are related to TIG Trinity Management, LLC such as Tiedemann Investment Group ("TIG") and Tiedemann Management Group ("TMG"). The amounts are loaned between entities with no specific payment terms and no stated interest rate, as necessary.

As of January 1, 2022, the Company shares office space with Tiedemann Advisors, LLC, an entity which shares a common owner with TIG Trinity Management, LLC and TIG Trinity GP, LLC. The Company makes the total payment for use of the office space on a monthly basis and is reimbursed by Tiedemann Advisors, LLC for its proportional share within the same period. For the year ended December 31, 2022, TIG's share of the rent expense was approximately $1,124,000 and was included as occupancy costs on the combined and consolidated statement of operations.

In the prior year, the Company shared office space with Tiedemann Wealth Management, an entity which shares a common owner with TIG Trinity Management, LLC and TIG Trinity GP, LLC. The Company paid Tiedemann Wealth Management for use of the office space on a monthly basis. For the year ended December 31, 2021, the total rent expense was $1,400,000 and was included as occupancy costs on the combined and consolidated statement of operations. For the year ended December 31, 2020, the total rent expense was approximately $1,300,000 and was included as occupancy costs on the combined and consolidated statements of operations.

(Expressed in United States Dollars)

8. Leases

The Company determines whether an arrangement is a lease at inception. The Company has operating leases for one office location and various office equipment. As of December 31, 2022, our leases generally have remaining lease terms of up to 2 years. The Company has considered renewal options in determining the lease term used to establish our right-of use assets and lease liabilities. Our lease agreements do not contain any material residual guarantees or material restrictive covenants.

The Company recognizes lease liabilities at the present value of the contractual fixed lease payments discounted using our incremental borrowing rate, as the rate implicit in the lease is typically not readily determinable, as of the lease commencement date or upon modification of the lease. The Company has elected the short-term lease practical expedient, in which all leases with lease terms below 12 months are expensed accordingly.

The Company has lease agreements that contain both lease and non-lease components, and the Company accounts for lease components together with non-lease components (e.g., common-area maintenance).

The components of lease expense for the year ended December 31, 2022 was as follows:

Operating lease expense	$1,208,412
Variable lease expense	358,363
Short-term lease expense	9,660
Total lease expense	$1,576,435

Supplemental cash flow information and non-cash activity related to our operating leases are as follows:

	Year ended December 31, 2022
Adjustments to reconcile net income to net cash provided by operating activities:	
Non-cash lease expense	1,108,520
Operating cash flow information:	
Decrease in lease liabilities — operating	(1,035,449)

Supplemental balance sheet information related to our operating leases is as follows:

	Balance Sheet Classification	Year ended December 31, 2022
Right-of-use-assets	Lease right-of-use assets	$ 2,749,744
Current lease liabilities	Lease liabilities, current portion	$ 1,183,882
Non-current lease liabilities	Lease liabilities	$ 1,638,933

Weighted-average remaining lease term and discount rate for our operating leases are as follows:

	Year ended December 31, 2022
Weighted-average remaining lease term	2.3 years
Weighted-average discount rate	3.0%

(Expressed in United States Dollars)

8. Leases (continued)

As of December 31, 2022, the future minimum lease payments for the Company's operating leases for each of the years ending December 31 were as follows:

2023	$1,250,123
2024	1,250,123
2025	420,173
Total lease payments	2,920,419
Less: Imputed interest	97,604
Present value of lease liabilities	$2,822,815

9. Commitments

As of December 31, 2021, the Company's affiliate (Tiedemann Wealth Management) leases its office under an operating lease which commenced in April 2010 and expires in April 2025. Future minimum rent payments paid by the affiliate for the next five years are approximately as follows:

Year ending December 31	
2022	$1,841,680
2023	1,841,680
2024	1,841,680
2025	460,420
Total	$5,985,460

The Company's rent expense amounted to approximately $1,400,000 for the year ended December 31, 2021 and $1,300,000 for the year ended December 31, 2020 and is included as a component of occupancy costs on the accompanying combined and consolidated statement of operations.

10. Term Loan

The Company entered into a credit agreement with Texas Capital Bank, National Association, a national banking association lender located in Dallas, TX on March 23, 2018 and revised on April 3, 2020, with a total available amount of $45,000,000 and a maturity date of April 3, 2026 (the "Term Loan"). As part of the credit agreement, Texas Capital Bank will serve as the administrative agent of the loan on behalf of other lenders. The credit agreement includes $15,000,000 which was lent by Cross First Bank. The main purpose of the Term Loan is to borrow in order to acquire minority-share purchases in asset management companies. In accordance with the credit agreement, the Company may request additional term loans.

There were no guarantees by Members of the Company. The balance of the loan was $42,750,000 and $45,000,000, as of December 31, 2022 and 2021, respectively. There were debt issuance costs of $671,043 and $594,758 as of December 31, 2022 and 2021, respectively, with a balance of $298,423, and $339,151, remaining as of December 31, 2022 and 2021, respectively, included in the Term Loan, long term balance in the combined and consolidated statements of financial position and amortization expense of $117,013 during the year ended December 31, 2022, and $80,718 during the years ended December 31, 2021 and 2020, respectively.

The interest rate on the loan is calculated based on the LIBOR rate plus 4%. Interest on the indebtedness evidenced by this note shall be computed on the basis of a three hundred sixty (360) day year and shall accrue on the actual number of days elapsed for any whole or partial month in which interest is being calculated.

Interest expense for the years ended December 31, 2022, 2021, and 2020, was $2,593,062, $2,239,608, and $2,363,144, respectively.

(Expressed in United States Dollars)

10. Term Loan (continued)

The Term Loan and interest are payable quarterly in twenty equal installments beginning on July 1, 2021. As of December 31, 2021, the minimum payments under the loan are as follows:

Year ending December 31,	
2022	$ 9,000,000
2023	9,000,000
2024	9,000,000
2025	9,000,000
2026	6,750,000
Total	**$42,750,000**

11. Members' Capital

Pre-tax net profits or losses of the Company are to be allocated to all Members in proportion to their agreed upon ownership percentages. Net profits or losses of the Company, excluding those net profits or losses associated with the TIG Arbitrage Strategy, are allocated to all Members in proportion to their agreed upon ownership percentages.

With respect to the TIG Arbitrage Strategy, each class of Members have certain rights to net profits or losses. Following the payment of the Class I Member revenue share, the remaining net profits or losses of the strategy are divided amongst the Class A, B, C, and D-1 members with 49.37% of the remaining net profits allocated to the Class D-1 Member and the balance allocated to Class A, Class B, and Class C Members in proportion to their agreed upon ownership percentages.

12. Risk Factors

The significant types of financial risks to which the Company is exposed include, but are not limited to, performance risk, liquidity risk, and other additional risks. Market risk represents the potential loss that can be caused by increases or decreases in the fair value of investments resulting from market fluctuations. In addition, the market risk could adversely affect the business of underlying companies and their associated entities in many ways, including by reducing the value of assets under management and negatively affecting the underlying companies' ability to attract future capital commitments, any of which could materially reduce the value of the Company. Liquidity risk is the risk that the Company will not be able to raise funds to fulfill its commitments, including its inability to sell investments quickly or at close to fair value. In the ordinary course of business, the Company enters into contracts that contain a variety of indemnifications. The Company's maximum exposure under these arrangements is unknown. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote. The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Company's investments will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's investment results may be materially adversely affected.

13. Legal settlement

In July 2021, the Company entered into a confidential settlement agreement with respect to an outstanding legal action. As of July 31, 2021, there was no remaining outstanding liability related to this legal action, and the Company does not expect to accrue any additional amounts with respect to the settlement agreement.

14. Subsequent Events

Based on management's evaluation, there are no events subsequent to December 31, 2022, that require adjustment to or disclosure in the combined and consolidated financial statements, except as noted below and in Note 15. Management has evaluated events and transactions through and including March XX, 2023, the date these combined and consolidated financial statements were available to be issued.

On September 19, 2021, the Company executed a definitive business combination agreement with, inter alios, Cartesian Growth Corporation ("Cartesian"), Tiedemann Wealth Management Holdings, LLC ("TWMH"), and Alvarium Investments Limited ("Alvarium") whereby the Company, TWMH, and Alvarium will merge to form Alvarium Tiedemann Holdings, LLC, a multi-disciplinary financial services business and a wholly owned subsidiary of Alvarium Tiedemann Capital, LLC ("Umbrella"). Umbrella will become publicly listed through a business combination with Cartesian, a special purpose acquisition company, which will be renamed "Alvarium Tiedemann Holdings, Inc." upon the completion of the transaction. The successful completion of the transaction closed January 3, 2023. The Company and the related affiliates are evaluating the accounting policies for the transaction.

15. Recent Events Relating to the Disruptions in the U.S. Banking System

In March 2023, the shut-down of certain financial institutions raised economic concerns over disruptions in the U.S. banking system. The U.S. government took certain actions to strengthen public confidence in the U.S. banking system. However, there can be no certainty that the actions taken by the U.S. government will be effective in mitigating the effects of financial institution failures on the economy and restoring public confidence in the U.S. banking system. Additional financial institution failures may occur in the near term that may limit access to short-term liquidity or have adverse impacts to the economy. As disclosed in Note 3, the Company maintains cash amounts in excess of federally insured limits in the aggregate amount of $7,840,612, as of December 31, 2022, and has certain concentrations in credit risk that expose the Company to risk of loss if the counterparty is unable to perform as a result of future disruptions in the U.S. banking system or economy. In March 2023, the Company transferred most cash balances to a large money center bank and the remaining balances with other banks are below FDIC limits.

Exhibit 99.6

Alvarium Investments Limited

Consolidated Financial Statements for years ended 31 December 2022, 2021 and 2020

Alvarium Investments Limited

Consolidated Financial Statements

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Alvarium Investments Limited

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors

Alvarium Investments Limited:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Alvarium Investments Limited and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of comprehensive income, cash flows, and changes in equity for each of the years in the three-year period ended December 31, 2022, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with generally accepted accounting principles in the United Kingdom.

Differences from U.S. Generally Accepted Accounting Principles

Accounting principles generally accepted in the United Kingdom vary in certain significant respects from United States (U.S.) generally accepted accounting principles. Information relating to the nature and effect of such differences is presented in Note 36 to the consolidated financial statements.

Emphasis of matter – uncertain outcome of allegations regarding Home REIT Plc

We draw attention to note 31 to the financial statements concerning the ongoing media allegations regarding Home REIT plc's operations, triggered by a report issued by a short seller, and that cite certain group subsidiaries, Alvarium Home REIT Advisors Limited (AHRA) and Alvarium Fund Managers (UK) Limited, which act as investment advisor and alternative investment fund manager, respectively, to Home REIT plc. It has been announced that current and former investors may potentially bring claims in connection with the allegations.

No provision for any liability that may result has been made in the financial statements, however any claims or other actions may be material and the outcome is uncertain.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2021.

London, United Kingdom
Date: April 17, 2023

Alvarium Investments Limited

Consolidated Statement of Comprehensive Income

	Note	2022 £	2021 £	2020 £
Turnover	**4**	**81,625,144**	75,164,498	52,263,050
Cost of sales		**(91,525,454)**	(50,415,876)	(40,032,428)
Gross profit		**(9,900,310)**	24,748,622	12,230,622
Administrative expenses		**(30,069,601)**	(19,983,039)	(12,629,478)
Government grant income		**—**	—	759,664
Gains/(losses) on investments	**5**	**2,108**	(452,591)	165,014
Amortisation of goodwill		**(3,330,261)**	(3,429,870)	(3,488,827)
Amortisation of other intangible assets		**(5,482,048)**	(2,293,872)	(2,334,873)
Operating loss	**6**	**(48,780,112)**	(1,410,750)	(5,297,878)
(Loss)/Gain on impairment or disposal of operations		**(107,277)**	—	577,795
Loss on financial assets at fair value through profit or loss		**(105,606)**	(54,136)	—
Loss from disposal of investment in associate	**7**	**(54,615)**	—	—
Gain on disposal of investment in joint venture	**8**	**4,660,861**	—	—
Share of profit of associates	**15**	**760,372**	1,410,850	459,284
Share of (loss)/profit of joint ventures	**15**	**(264,317)**	2,898,485	1,925,289
Income from other fixed asset investments	**9**	**10,349**	547,789	3,158
Interest receivable	**10**	**158,460**	204,070	249,084
Amounts written off loans and investments receivable	**15**	**(1,642,997)**	(373,425)	(879,498)
Interest payable	**11**	**(5,920,704)**	(1,811,470)	(729,588)
(Loss)/profit before taxation		**(51,285,586)**	1,411,413	(3,692,354)
Taxation on ordinary activities	**12**	**4,770,378**	536,461	315,163
(Loss)/profit for the financial year		**(46,515,208)**	1,947,874	(3,377,191)
Share of other comprehensive income/(loss) of joint ventures		**23,969**	(507,667)	(112,050)
Foreign currency retranslation		**1,686,817**	(678,566)	951,843
Other comprehensive income/(loss) for the year		**1,710,786**	(1,186,233)	839,793
Total comprehensive (loss)/income for the year		**(44,804,422)**	761,641	(2,537,398)
(Loss)/profit for the financial year attributable to:				
The owners of the parent company		**(46,505,793)**	1,126,029	(4,845,399)
Non-controlling interests		**(9,415)**	821,845	1,468,208
		(46,515,208)	1,947,874	(3,377,191)
Total comprehensive (loss)/income for the year attributable to:				
The owners of the parent company		**(44,795,363)**	(57,666)	(4,010,562)
Non-controlling interests		**(9,059)**	819,307	1,473,164
		(44,804,422)	761,641	(2,537,398)

All the activities of the group are from continuing operations.

These Consolidated financial statements were approved by the board of directors and authorised for issue on 17 April 2023, and are signed on behalf of the board by:

Mr E P Shave
Director

The notes from page 9 onwards form part of these Consolidated financial statements.

Consolidated Statement of Financial Position

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	**13**	**66,049,421**	33,642,087
Tangible assets	**14**	**2,402,852**	758,152
Investments:	**15**		
Investments in associates		**1,856,641**	2,729,247
Investments in joint-ventures		**5,502,555**	10,096,077
Other fixed asset investments		**271,317**	1,972,169
		76,082,786	49,197,732
Current assets			
Debtors	**16**	**47,002,705**	37,003,398
Investments	**17**	**7,446**	4,254
Cash and cash equivalents		**7,152,898**	12,961,870
		54,163,049	49,969,522
Creditors: amounts falling due within one year	**18**	**(96,335,091)**	(40,903,852)
Net current (liabilities)/assets		**(42,172,042)**	9,065,670
Total assets less current liabilities		**33,910,744**	58,263,402
Creditors: amounts falling due after more than one year		**—**	—
Provisions			
Taxation including deferred tax	**21**	**(2,011,960)**	(1,958,233)
Net assets		**31,898,784**	56,305,169
Capital and reserves			
Called up share capital	**27**	**7,433**	7,433
Share premium account	**28**	**32,105,520**	32,105,520
Other reserves	**28**	**23,001,035**	23,001,035
Profit and loss account	**28**	**(23,219,621)**	1,177,705
Equity attributable to the owners of the parent company		**31,894,367**	56,291,693
Non-controlling interests		**4,417**	13,476
		31,898,784	56,305,169

These Consolidated financial statements were approved by the board of directors and authorised for issue on 17 April 2023, and are signed on behalf of the board by:

Mr E P Shave
Director

The notes from page 9 onwards form part of these Consolidated financial statements.

Consolidated Statement of Changes in Equity

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	**Equity attributable to the owners of the parent company £**	Non-controlling interests £	**Total £**
At 1 January 2020	6,880	20,276,656	23,001,035	20,098,773	**63,383,344**	259,825	**63,643,169**
(Loss)/income for the year	—	—	—	(4,845,399)	**(4,845,399)**	1,468,208	**(3,377,191)**
Other comprehensive (loss)/income for the year:							
Share of other comprehensive loss of joint ventures	—	—	—	(112,050)	**(112,050)**	**—**	**(112,050)**
Foreign currency retranslation	—	—	—	946,887	**946,887**	4,956	**951,843**
Total comprehensive (loss)/income for the year	—	—	—	(4,010,562)	**(4,010,562)**	1,473,164	**(2,537,398)**
Issue of shares	68	1,411,372	—	—	**1,411,440**	—	**1,411,440**
Dividends paid and payable	—	—	—	—	**—**	(137,112)	**(137,112)**
Equity-settled share-based payments	—	—	—	7,296	**7,296**	—	**7,296**
Total investments by and distributions to owners	68	1,411,372	—	7,296	**1,418,736**	(137,112)	**1,281,624**
At 31 December 2020	6,948	21,688,028	23,001,035	16,095,507	**60,791,518**	1,595,877	**62,387,395**

The consolidated statement of changes in equity
continues on the following page.

The notes from page 9 onwards form part of these Consolidated financial statements.

Consolidated Statement of Changes in Equity *(continued)*

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	**Equity attributable to the owners of the parent company £**	Non-controlling interests £	**Total £**
At 1 January 2021	6,948	21,688,028	23,001,035	16,095,507	**60,791,518**	1,595,877	**62,387,395**
Income for the year	—	—	—	1,126,029	**1,126,029**	821,845	**1,947,874**
Other comprehensive income for the year:							
Share of other comprehensive loss of joint ventures	—	—	—	(507,667)	**(507,667)**	—	**(507,667)**
Foreign currency retranslation	—	—	—	(676,028)	**(676,028)**	(2,538)	**(678,566)**
Total comprehensive (loss)/income for the year	—	—	—	(57,666)	**(57,666)**	819,307	**761,641**
Issue of shares	506	10,417,492	—	—	**10,417,998**	—	**10,417,998**
Dividends paid and payable	—	—	—	—	**—**	(901,103)	**(901,103)**
Cancellation of subscribed capital	(21)	—	—	—	**(21)**	—	**(21)**
Equity-settled share-based payments	—	—	—	(1,333)	**(1,333)**	—	**(1,333)**
Increase in shareholding in subsidiary company	—	—	—	(14,858,803)	**(14,858,803)**	(1,500,605)	**(16,359,408)**
Total investments by and distributions to owners	485	10,417,492	—	(14,860,136)	**(4,442,159)**	(2,401,708)	**(6,843,867)**
At 31 December 2021	7,433	32,105,520	23,001,035	1,177,705	**56,291,693**	13,476	**56,305,169**

The consolidated statement of changes in equity
continues on the following page.

The notes from page 9 onwards form part of these Consolidated financial statements.

Consolidated Statement of Changes in Equity *(continued)*

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	**Equity attributable to the owners of the parent company £**	Non-controlling interests £	**Total £**
At 1 January 2022	7,433	32,105,520	23,001,035	1,177,705	**56,291,693**	13,476	**56,305,169**
Loss for the year				(46,505,793)	**(46,505,793)**	(9,415)	**(46,515,208)**
Other comprehensive income for the year:							
Share of other comprehensive loss of joint ventures	—	—	—	23,969	**23,969**	—	**23,969**
Foreign currency retranslation	—	—	—	1,686,461	**1,686,461**	356	**1,686,817**
Total comprehensive (loss)/income for the year	—	—	—	(44,795,363)	**(44,795,363)**	(9,059)	**(44,804,422)**
Equity-settled share-based payments	—	—	—	20,413,653	**20,413,653**	—	**20,413,653**
Increase in shareholding in subsidiary company	—	—	—	(15,616)	**(15,616)**	—	**(15,616)**
Total investments by and distributions to owners	—	—	—	20,398,037	**20,398,037**	—	**20,398,037**
At 31 December 2022	7,433	32,105,520	23,001,035	(23,219,621)	**31,894,367**	4,417	**31,898,784**

The notes from page 9 onwards form part of these Consolidated financial statements.

Alvarium Investments Limited

Consolidated Statement of Cash Flows

	2022 £	2021 £	2020 £
Cash flows from operating activities			
(Loss)/profit for the financial year	**(46,515,208)**	1,947,874	(3,377,191)
Adjustments for:			
Depreciation of tangible assets	**510,283**	552,293	536,319
Amortisation of intangible assets	**8,812,309**	5,723,742	5,823,700
Amounts written off investments	**1,642,997**	373,425	879,498
Loss on financial assets at fair value through profit or loss	**105,606**	54,136	—
Loss from disposal of investment in associate	**54,615**	—	—
Gain on disposal of investment in joint venture	**(4,660,861)**	—	—
Share of (profit) of associates	**(760,372)**	(1,410,850)	(459,284)
Share of loss/(profit) of joint ventures	**264,317**	(2,898,485)	(1,925,289)
Income from other fixed asset investments	**(10,349)**	(547,789)	(3,158)
Interest receivable	**(158,460)**	(204,070)	(249,084)
Interest payable	**5,920,704**	1,811,470	729,588
Gain on impairment or disposal of operations	**107,277**	—	(577,795)
Equity-settled share-based payments	**20,413,653**	(1,333)	7,298
Unrealised foreign currency (gains)/losses	**(467,917)**	(46,570)	256,619
Taxation on ordinary activities	**(4,770,378)**	(536,461)	(315,163)
Gain on disposal of other investments	**(2,108)**	—	(222,222)
Loss on disposal and restructuring of interests in joint ventures	**—**	452,591	57,206
Changes in:			
Trade and other debtors	**(64,282)**	(7,920,849)	(3,058,969)
Trade and other creditors	**13,142,346**	15,154,004	4,038,604
Cash generated from operations	**(6,435,828)**	12,503,128	2,140,677
Dividends received	**3,267,065**	3,109,589	2,351,142
Tax paid	**(699,086)**	(1,160,931)	(1,161,396)
Net cash (used in)/from operating activities	**(3,867,849)**	14,451,786	3,330,423
Cash flows from investing activities			
Purchase of tangible assets	**(2,120,903)**	(415,228)	(381,522)
Cash advances and loans granted	**(1,412,152)**	(2,741,467)	(1,799,350)
Cash receipts from the repayment of advances and loans	**1,503,170**	615,512	404,677
Acquisition of subsidiaries net of cash acquired	**—**	—	71,157
Acquisition of interests in associates and joint ventures	**(7,327)**	(6,208)	(85)
Proceeds from sale of interests in associates and joint ventures	**4,677,161**	10,206	—
Purchases of other investments	**(37,269)**	(170,210)	(78,904)
Proceeds from sale of other investments	**30,564**	102,740	224,361
Interest received	**134,459**	43,210	59,402
Deferred consideration paid on acquisition	**(192,461)**	(859,107)	(999,081)
Outflow of cash balances on disposal of subsidiary	**—**	—	(2,934)
Transaction with equity holders	**(15,615)**	(6,326,146)	—
Cash receipts pursuant to asset acquisition	**1,031,366**	—	—
Net cash from/(used in) investing activities	**3,590,993**	(9,746,698)	(2,502,279)

The consolidated statement of cash flows
continues on the following page.

The notes from page 9 onwards form part of these Consolidated financial statements.

Consolidated Statement of Cash Flows *(continued)*

	2022 £	2021 £	2020 £
Cash flows from financing activities			
Proceeds from issue of ordinary shares	**—**	—	1,411,440
Proceeds from borrowings	**—**	1,675,460	—
Payments of finance lease liabilities	**(127,174)**	(240,336)	(222,793)
Interest paid	**(5,881,242)**	(912,769)	(628,992)
Dividends paid	**—**	(561,103)	(137,112)
Net cash (used in)/from financing activities	**(6,008,416)**	(38,748)	422,543
Net (decrease)/increase in cash and cash equivalents	**(6,285,272)**	4,666,340	1,250,687
Cash and cash equivalents at beginning of year	**12,961,870**	8,298,069	7,057,488
Exchange gain/(losses) on cash and cash equivalents	**476,300**	(2,539)	(10,106)
Cash and cash equivalents at end of year	**7,152,898**	12,961,870	8,298,069

The notes from page 9 onwards form part of these Consolidated financial statements.

Notes to the Consolidated Financial Statements

1. General information

Alvarium Investments Limited (the Company) is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Old Burlington Street, London, W1S3AG, England. This report contains the consolidated results of Alvarium Investments Limited and its subsidiaries, joint ventures and associates (together the Group).

2. Statement of compliance

These financial statements prepared in accordance with FRS 102 ("UK GAAP") differ in certain significant respects from financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Details of the significant differences between US GAAP and UK GAAP are set out in note 36 to these financial statements.

3. Accounting policies

Basis of preparation

The financial statements have been prepared for the sole purpose of inclusion in SEC filings on behalf of Alvarium Tiedemann Holdings Inc. ("ALTi") (formerly Cartesian Growth Corporation) under the United States securities laws and regulations regarding the business combination of Alvarium Investments Limited, Tiedemann Advisors, LLC and TIG Advisors.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2022, 2021 or 2020. Statutory accounts for 2022 were approved on 17 April 2023. Statutory accounts for 2021 and 2020 have been delivered to the registrar of companies.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial statements are presented in UK pounds sterling, which is the functional currency of the Group.

Going concern

On 3 January 2023 the business combination and public listing with Cartesian Growth Corporation (now "Alvarium Tiedemann Holdings, Inc.") announced on 20 September 2021 became effective.

The Group reported a loss for the year ending 31 December 2022. Expenses related to the merger transaction, including legal and professional fees of £8.7M contributed significantly to the Group's loss position. In addition, the Group settled, in cash, payments owed to employees through its Long-Term Incentive Plan (LTIP) at an amount of £10.5M. The group also recognised an equity settled share-based payment of £20.4m awarded to LTIP participants. Whilst these awards impacted the group's loss position, they are a non cash award and will not result in any future cash outflow.

The Group had current liabilities in excess of current assets as at 31 December 2022. As a result of the merger, Alvarium Tiedemann Holdings obtained a $250M senior secured credit facility. Subsequent to year end, the facility was utilised by Alvarium Tiedemann Holdings to repay the subordinated shareholder loan (£40m) and bank loan (£10m) on its behalf by way of capital contribution, as part of the terms of the business combination agreement. This reduced the Group's current liability position by £50m.

The facility remains $113M undrawn as at 31 March 2023 and could be made available, subject to covenant compliance and approval of Alvarium Tiedemann Holdings, for utilisation to fund operations and for the group to meet its liabilities as they fall due.

3. Accounting policies *(continued)*

Going concern *(continued)*

The Group had current liabilities in excess of current assets as at 31 December 2022. As a result of the merger, Alvarium Tiedemann Holdings obtained a $250M senior secured credit facility. Subsequent to year end, the facility was utilised by Alvarium Tiedemann Holdings to repay the subordinated shareholder loan (£40m) and bank loan (£10m) on its behalf by way of capital contribution, as part of the terms of the business combination agreement. This reduced the Group's current liability position by £50m. The facility remains $113M undrawn as at 31 March 2023 and could be made available, subject to covenant compliance and approval of Alvarium Tiedemann Holdings, for utilisation to fund operations and for the group to meet its liabilities as they fall due.

The directors do not anticipate a plausible scenario in which the change in control environment would change the regulatory capital requirement to a level that would impact the Group's ability to comply. While there are changes to the existing legal entity group structure post-acquisition, all existing business lines continue to operate.

The Group currently meets its day to day working capital requirements from cash reserves and recurring revenue streams. The directors have prepared budgets which indicate that the Group will be profitable and have sufficient funds to meet its liabilities as they fall due for at least the next 12 months from date of approval of these financial statements. The base case scenario assumes that transactional revenue in Co-Investments and Merchant banking will continue as projected in the latest rolling forecasts. Under this scenario, the normal recurring revenue streams and divisional cash flows adequately cover the operating cost base. This does not account for any future adverse market movements which is outside management control. The base case forecasts also assume that any legal expenses incurred in relation to any claims or other actions discussed in note 31 would be recoverable from insurers.

The directors have also considered a severe but plausible scenario in their budgets. This assumed a reduction of 5% within investment advisory and family office services divisions and a 50% reduction in co-investment and merchant banking divisions. Furthermore, discretionary bonuses were reduced to nil and other discretionary costs such as travel, entertaining and compensation related expenses were reduced. Under this scenario, the diversified mix of recurrent income provides sufficient coverage to meet any obligations as and when they fall due. No amounts are included in respect of any claims or other actions.

The Directors have also considered the longer-term impact of any claims or other actions and are confident that any outflows can be met from existing or additional shareholder support/facilities available and/or insurance if needed.

In conjunction with this assessments above and the availability of senior debt facility, the Directors believe the Company has sufficient reserves to address any potential financial impact arising from plausible downside scenarios considered and consequently, the Directors have concluded that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Accounting policies *(continued)*

Consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates and joint ventures made up to 31 December 2022.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which gives it control of the financial and operating policies of that entity, the Group accounts for that entity as a subsidiary.

Where the Group controls more than 50% of the voting powers of an entity but restrictions exist to entitlement of profit which would comprise a severe long term restriction, such entities are not consolidated. See the 'significant judgement' section on page 13 for more information.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Accounting for joint ventures and associates uses financial information provided by management of those entities. This is the best available information at the time of reporting and consolidated using the equity method appropriately in our Group results. Where information is received post year-end regarding conditions that existed at the year-end, this is treated as a type one adjusting event.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

3. Accounting policies *(continued)*

Consolidation *(continued)*

The Company historically held investments in two associates (Alvarium PO (Payments) Ltd and Alvarium Investment Management Ltd) where additional interests were subsequently purchased giving the company control and resulting in consolidation of a subsidiary undertaking. In accordance with FRS 102.A.3.21, and in order to give a true and fair view, goodwill was calculated as the sum of the goodwill arising on each purchase of shares in these entities, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased. This represents a departure from the method set out in FRS 102, under which goodwill is calculated as the difference between the total acquisition cost of acquiring 100% of these entities and the fair value of the identifiable assets and liabilities of these entities on the date that they each became a subsidiary. The statutory method would not give a true and fair view because it would result in the group's share of these entities' retained reserves, during the period that it was an associate, being re-characterised as goodwill.

The effect of this departure at 31 December 2022, 31 December 2021, 31 December 2020 and1 January 2020 is to:

- decrease profit for the year by £34,266 (2021: £34,266, 2020: £34,266)
- increase the revaluation reserve by £133,722 (2021: £133,722) (1 Jan 2021 £133,722) (1 Jan 2020: £133,722)
- decrease retained profits by £65,189 (2021: decrease £30,923) (1 Jan 2021: increase £3,343) (1 Jan 2020: £37,609); and
- increase goodwill by £68,533 (2021: £102,799) (1 Jan 2021: £137,065) (1 Jan 2020: £171,332)

The statutory method would not give a true and fair view because it would result in the financial statements portraying LJ GP Ltd as the acquirer, when in fact the shareholders of LJ Capital Ltd have obtained control of the combined group. Applying the statutory method would result in the loss of the financial history of LJ Capital Ltd.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Accounting policies *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Equity method investees

There are certain of our joint venture and associates partners in equity method investees that, since the investment was entered into, have become related parties of the Group as a result of holding executive management positions in one or more Group members or subsidiary. An assessment was performed and determined that this does not give the Group control of the relevant equity method investee as each related party's holding in the relevant equity method investee is unrelated to their employment by the Group member to which they are related and the relevant related parties are not bound by any contractual or other agreement to vote in the same way as Alvarium in connection with their holdings in the relevant equity method investee. Furthermore, in each instance, the equity method investee also has an unrelated third party member and, as a result of governance provisions in the relevant equity method agreement, the equity method investee is controlled jointly by all of its members and not by Alvarium alone.

3. Accounting policies *(continued)*

Significant judgements *(continued)*

Entities excluded from consolidation due to limited economic rights

In the case of LJ Maple Limited, LJ Maple Circus Limited, LJ Maple Hamlet Limited, LJ Maple Hill Limited, LJ Maple Belgravia Limited, LJ Maple St Johns Wood Limited, LJ Maple Kew Limited, LJ Maple Chelsea Limited, LJ Maple Tofty Limited, LJ Green Lanes Holdings Limited, LJ Maple Kensington Limited, LJ Maple Nine Elms Limited, LJ Maple Duke Limited and LJ Maple Abbey Limited, the group control 100% of the voting rights (aside from reserved matters) by virtue of their holding of a certain class of shares.

These entities have all issued a separate class of shares to third party investors and raised finance from them, which has then been invested, indirectly, in one or more underlying real estate transactions. These classes of shares do not have any voting rights but are entitled to the vast majority of the economic returns from the investment. The Group is entitled to ongoing fees from the entities for monitoring and reporting on the underlying real estate transactions and also, potentially, when the underlying real estate transactions are exited and funds returned to investors, to performance based fees which are calculated as a percentage of the total profits from each underlying deal which exceed a defined return to the third party investors. The Group is not an investor itself and does not otherwise participate in distributions from these entities.

While the Group controls the ordinary voting rights of these entities, these entities are excluded from consolidation because of severe long-term restrictions on the Group’s ability to actually exercise control over them. These restrictions are contained in the articles of association and shareholders’ agreements of the relevant entities and they relate to the substantive business activities (including the financial and operating policies) of the entities and include reserved matters contained in the shareholders’ agreements which are substantive as regards the activities of the entities and which require the approval of 75% of all shareholders (including the investor share class). As a result of these restrictions and the Group’s limited economic rights in the entities, the Group does not have the power to govern the financial and operating policies of the entities so as to obtain a benefit from the entities’ activities and, accordingly, the entities are not controlled by the Group for the purposes of FRS 102 and are excluded from consolidation on this basis.

Each entity has instead been classified as a fixed asset investment at cost less impairment, with any distributions recognised upon receipt. Details concerning the financial performance and position of these entities can be found in note 15 of these financial statements.

Limited economic rights over entities owned by the group

The group owns 100% of the share capital of LJ London Holdings Limited. The company was incorporated to invest in a property joint venture. To fund this, loan funding was obtained by LJ London Holdings Limited from a third party. Under the terms of the loan the vast majority of the profits from the venture revert to the lender, with the group entitled to a promote fee at conclusion. The group had no financial exposure to the venture.

The group considers the terms of the loan to demonstrate a severe long term restriction over rights to income from LJ London Holdings Limited. It has therefore been classified as a fixed asset investment at cost less impairment, with any dividends recognised upon receipt. In the absence of the terms of the loan, it would otherwise have been classified as a subsidiary.

3. Accounting policies *(continued)*

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Convertible loan note receivable

The Group has determined that one of its investments, which has historically been measured at fair value, is no longer recoverable, and has therefore fully written off this investment in the year, as shown in note 15. This investment is an asset without an active observable market that can be used to infer a fair value, and has historically been valued based on the limited market data available.

The Group notes that the recoverability of this asset is dependent on an exit, repayment scenario or significant change in the company's financial operations as the company is an early-stage company which does not generate cash flow from operations and is highly leveraged. In the continued absence of any detailed financial information for this investment—and considering the decline in global market conditions—the Group has concluded that this asset is irrecoverable and has written it off in full.

Useful economic lives and impairment of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

The group also considers whether intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). See note 13 for the carrying amount of the intangible assets, and note 3 for the useful economic lives for each class of asset.

The Group performed a full quantitative impairment assessment over the LXI REIT intangible in relation to the newly acquired investment management agreement which has been fully absorbed into LXI REIT Advisors Limited. The assessment was triggered due to an impairment indicator being identified as at year end. The recoverable amount was determined by assessing the fair value less cost to sell for the LXI REIT CGU. The fair value less cost to sell was determined using a blended methodology of using both an income approach, specifically the discounted cash flow ("DCF") approach and a market approach.

The overall fair value less cost to sell was greater than the carrying value and hence no impairment charge has been recognised. The key assumptions used in determining the DCF value was expected aggregated cash flows which was extrapolated using a long- term terminal growth rate of 3.0% and a discount rate of 18.5%. The market approach applied a selected multiple based on a guideline public company analysis which considered the company's size, growth and profitability relative to the guideline companies. Management have performed a sensitivity analysis as of 31 December 2022 and established that the discount rate would need to increase to more than 20.5% before an impairment of the LXI REIT CGU would be required. The long-term terminal growth rate of 3% would need to reduce by more than 2% before an impairment of the LXI REIT CGU would be required. Management however notes that the changes in assumptions leading to an impairment are not considered plausible.

Impairment tests for goodwill December 2022

The Group has determined that it has a single CGU in relation to asset management for the purposes of assessing the carrying value of goodwill. This determination is made on the basis that the Group's structure is highly interconnected, with shared management, directors and clients. As a result, the Group is deemed to be the smallest identifiable group of assets that generates cash inflows that are largely independent.

In line with Section 27 of FRS 102, Impairment of Assets, a full impairment review was undertaken as at 31 December 2022. The recoverable amount within the fund management CGU was determined by assessing the value-in-use using long-term cash flow projections for the CGU.

Data for the explicit forecast period of 2023-2028 is based on the 2023-24 budget and forecasts for 2025-2028. Increases in operating costs have been taken into account and include assumed new business volumes. All relevant risks, including market risk and competitor risk has been built into these forecasts. Cash flows beyond the explicit forecast period are extrapolated using a long term terminal growth rate of 3.0%. To arrive at the net present value, cash flows have been discounted using a discount rate of 16%.

3. Accounting policies *(continued)*

Key sources of estimation uncertainty *(continued)*

The overall value-in-use was greater than the carrying value and hence no impairment charge has been recognised. The key assumptions used in determining this amount were expected aggregated fund flows and the discount rate.

Management have performed a sensitivity analysis as of 31 December 2022 and established that the discount rate would need to increase to more than 200% before an impairment of goodwill would be required. The average annual growth rate for expected fund flows over the forecast period is 11.6% and would need to reduce to more than -20% per annum before an impairment of goodwill would be required.

Impairment tests for goodwill December 2021

The Group has determined that it has a single CGU in relation to asset management for the purposes of assessing the carrying value of goodwill. This determination is made on the basis that the Group’s structure is highly interconnected, with shared management, directors and clients. As a result, the Group is deemed to be the smallest identifiable group of assets that generates cash inflows that are largely independent.

In line with Section 27 of FRS 102, Impairment of Assets, a full impairment review was undertaken as at 31 December 2021. The recoverable amount within the fund management CGU was determined by assessing the value-in-use using long-term cash flow projections for the CGU.

Data for the explicit forecast period of 2022-2026 is based on the 2022 budget and forecasts for 2022-2026. Increases in operating costs have been taken into account and include assumed new business volumes. Cash flows beyond the explicit forecast period are extrapolated using a long term terminal growth rate of 3.0%. To arrive at the net present value, cash flows have been discounted using a discount rate of 12.5%.

The overall value-in-use was greater than the carrying value and hence no impairment charge has been recognised. The key assumptions used in determining this amount were expected aggregated fund flows and the discount rate.

Management have performed a sensitivity analysis as of 31 December 2021 and established that the discount rate would need to increase to more than 95% before an impairment of goodwill would be required. The average annual growth rate for expected fund flows over the forecast period is 4.0% and would need to reduce to more than -40% per annum before an impairment of goodwill would be required.

Impairment tests for goodwill December 2020

The Group has determined that it has a single CGU in relation to asset management for the purposes of assessing the carrying value of goodwill. This determination is made on the basis that the Group’s structure is highly interconnected, with shared management, directors and clients. As a result, the Group is deemed to be the smallest identifiable group of assets that generates cash inflows that are largely independent.

3. Accounting policies *(continued)*

Key sources of estimation uncertainty *(continued)*

In line with Section 27 of FRS 102, Impairment of Assets, a full impairment review was undertaken as at 31 December 2020. The recoverable amount within the fund management CGU was determined by assessing the value-in-use using long-term cash flow projections for the CGU.

Data for the explicit forecast period of 2021-2026 is based on the 2021 budget and forecasts for 2021-2026. Increases in operating costs have been taken into account and include assumed new business volumes. Cash flows beyond the explicit forecast period are extrapolated using a long-term terminal growth rate of 3.0%. To arrive at the net present value, cash flows have been discounted using a discount rate of 18.0%.

The overall value-in-use was greater than the carrying value and hence no impairment charge has been recognised. The key assumptions used in determining this amount were expected aggregated fund flows and the discount rate.

Management have performed a sensitivity analysis as of 31 December 2020 and established that the discount rate would need to increase to more than 80% before an impairment of goodwill would be required.

The average annual growth rate for expected fund flows over the forecast period is 8.0% and would need to reduce to more than -30% per annum before an impairment of goodwill would be required.

Impairment tests for equity method investees December 2022

The group has considered whether there are any indications that its investments in joint ventures and associates may be impaired at 31 December 2022, and has noted one joint venture where impairment indicators exist. In line with Section 27 of FRS 102, Impairment of Assets, a detailed value in use calculation has therefore been produced for this asset.

Data for the explicit forecast period of 2023-2027 is based on the 2023 budget. Cash flows beyond the explicit forecast period are extrapolated using a long term terminal growth rate of 3.0%. To arrive at the net present value, cash flows have been discounted using a discount rate of 30%.

The overall value in use in this calculation is greater than the carrying amount for this joint venture, and hence no impairment charge has been recognised. The key assumptions used in this calculation were the discount rate and revenue growth rates.

Impairment tests for equity method investees December 2021

The Group has considered whether there are any indications that its investments in joint ventures and associates may be impaired at 31 December 2021, and has noted one joint venture where impairment indicators exist. In line with Section 27 of FRS 102, Impairment of Assets, a detailed value-in-use calculation has therefore been produced for this asset.

Data for the explicit forecast period of 2022-2026 is based on the 2022 budget. Cash flows beyond the explicit forecast period are extrapolated using a long term terminal growth rate of 3.0%. To arrive at the net present value, cash flows have been discounted using a discount rate of 11.5%.

The overall value-in-use in this calculation is greater than the carrying amount for this joint venture, and hence no impairment charge has been recognised. The key assumptions used in this calculation were the discount rate and revenue growth rates.

3. Accounting policies *(continued)*

Key sources of estimation uncertainty *(continued)*

Management have performed a sensitivity analysis as of 31 December 2021 and have established that the discount rate would need to increase by more than 100% before an impairment of this asset would be required. Similarly, reducing the terminal growth rate of 3% to 0% would still not result in an impairment to this asset.

Useful economic lives sensitivity

The tables below detail the impact of the amortisation charge reported in the event of a 5%-10% increase or decrease in the useful economic lives of the Group's intangible assets.

2022:

	Goodwill £	Client lists £	Brands £	Total £
Current amortisation	**3,330,261**	**5,482,048**	**—**	8,812,309
Amortisation with -5% UEL	**3,505,538**	**5,770,576**	**—**	9,276,114
Amortisation with -10% UEL	**3,700,290**	**6,091,164**	**—**	9,791,454
Amortisation with +5% UEL	**3,171,677**	**5,220,998**	**—**	8,392,674
Amortisation with +10% UEL	**3,027,510**	**4,983,680**	**—**	8,011,189

2021:

	Goodwill £	Client lists £	Brands £	Total £
Current amortisation	3,429,870	2,293,872	—	5,723,742
Amortisation with -5% UEL	3,610,391	2,414,602	—	6,024,993
Amortisation with -10% UEL	3,810,968	2,548,747	—	6,359,715
Amortisation with +5% UEL	3,266,544	2,184,640	—	5,451,184
Amortisation with +10% UEL	3,118,065	2,085,338	—	5,203,403

2020:

	Goodwill £	Client lists £	Brands £	Total £
Current amortisation	3,488,827	2,334,873	—	5,823,700
Amortisation with -5% UEL	3,672,451	2,457,761	—	6,130,212
Amortisation with -10% UEL	3,876,476	2,594,303	—	6,470,779
Amortisation with +5% UEL	3,322,693	2,223,689	—	5,546,382
Amortisation with +10% UEL	3,171,662	2,122,612	—	5,294,274

3. Accounting policies *(continued)*

Key sources of estimation uncertainty *(continued)*

Deferred tax assets in respect of tax losses

The group has material brought forward and carried forward tax losses in the United Kingdom and the United States of America. There is significant estimation uncertainty surrounding the timing of which these losses may be utilised in future. Management reviews forecasts in estimating whether sufficient future taxable profits are likely to arise to warrant recognition of an asset in respect of such losses. The Group's policy is to only consider forecasts which have been finalised and approved as at the period end, which in this case are for the years ended 31 December 2023 and 2024. In the case of the United Kingdom, these forecasts indicate these losses are to be fully utilised in those periods.

AHRA Continued Consolidation

On December 30, 2022, Alvarium RE Limited ("ARE"), an indirect wholly-owned subsidiary of Alvarium, entered into an agreement to sell 100% of the equity of Alvarium Home REIT Advisors Ltd ("AHRA") to a newly formed entity owned by the management of AHRA, for aggregate consideration approximately equal to GBP 24 million. The consideration comprised a promissory note maturing December 31, 2023, subject to extension if mutually agreed upon by the parties thereto. Additionally, ARE received a call option pursuant to which ARE has the right to repurchase AHRA prior to the repayment of the Note for a purchase price equal to the loan balance then outstanding thereunder.

The consolidated financial statements include the accounts of AHRA. Subsidiaries are companies over which Alvarium has the power indirectly and/or directly to control the financial and operating policies so as to obtain benefits. In assessing control for accounting purposes, potential voting rights that are presently exercisable or convertible are taken into account. Although Alvarium does not presently have legal control of AHRA, it has a right to reacquire such legal control through the call option it holds and accordingly AHRA has been deemed to be a subsidiary for accounting purposes.

Revenue recognition

Turnover comprises revenue (exclusive of Value Added Tax) recognised by the group in respect of services supplied.

Corporate finance engagements

Fees for annual or quarterly services are billed in advance. Turnover for the provision of annual or quarterly services is recognized in the profit and loss account on a pro rata basis as the service is delivered over the period from the date of the invoice or renewal. The resulting accrued or deferred income is included within debtors or creditors respectively. The service provided to clients is generally providing reporting on funds invested into the relevant deals. This would include corporate finance engagements, management support and office space.

Placement fees are recognised as invoiced at the point of transaction closing.

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Interest and investment income

Interest income is recognised using the effective interest rate method.

Dividend income is recognised when the right to receive payment is established.

UK Investment advisory revenue

The revenue shown in the accounts represents amounts due to the group for services rendered in the year, exclusive of Value Added Tax. Consultancy fees are invoiced on a quarterly basis in arrears and therefore at any point in time there is a level of accrued income pro-rata to the services rendered.

The majority of Advisory fees are received from the Pershing Platform quarterly in arrears. At any point in time there is a level of accrued income pro-rata to the expected annual revenues from Pershing.

Overseas Investment advisory revenue

Portfolio management and performance fees generally consist of percentage fees based upon client's portfolio size and performance and are billed to clients following the close of each calendar quarter. At the end of each month there is an income accrual provided for pro rata quarterly fees which are billed post quarter end. These fees are gross amounts with any related commissions payable presented in cost of sales.

Trust and fiduciary revenue

Invoices raised in advance for the provision of annual services are taken to the profit and loss account on a pro rata basis over the year from the date of the invoice or renewal. The resulting deferred income is included within creditors. Work in Progress is carried at 70% of recorded unbilled time at each month end. This is considered by management to be a reliable consistent estimate of the recoverable proportion of unbilled time at any point, based on retrospective reviews.

Private and family office revenue

Turnover represents amounts receivable for services net of VAT and trade discounts. Invoicing is completed monthly in arrears, with any resulting accrued income included in debtors at the year end.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. The services cover a clearly defined period of time with no uncertainty as to outcome, and therefore we have used the length of time elapsed as the main measure for determining the stage of completion.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The Group's unrecognised deferred tax assets are disclosed in note 22 to the financial statements.

Foreign currencies

Functional and presentational currency

The Group financial statements are presented in pound sterling.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign operations

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

3. Accounting policies *(continued)*

Goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Subsidiaries, joint ventures and associates - 10 years straight line.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10 years straight line
Brands and licences	-	Between 2 and 5 years straight line
Customer list	-	Between 9 and 22 years straight line

The useful lives of the brands and licenses are based on the contractual agreements that underpin these or the period of expected use, whilst the useful lives of the customers lists depend on the nature of the customer relationships. These useful lives have been benchmarked to market data for entities of a similar nature as part of the PPA work carried out on the acquisition of these entities.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property improvements	-	Various - straight line over remaining term on property lease
Fixtures and fittings	-	Between 3 and 5 years straight line
Office equipment	-	Between 3 and 5 years straight line

Investments

Un-listed fixed asset investments are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss. The Group also holds an unlisted convertible note investment at fair value, see note 15 for further detail.

Investments in subsidiaries

Investments in subsidiaries are held at cost less impairment. Impairment reviews are made on an annual basis. Impairment is measured as the difference between the carrying value and best estimate of the value in use or amount receivable on sale. Impairment costs are recognised through the income statement.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group’s share of the profit or loss, other comprehensive income and equity of the associate.

When the Group’s share of losses of an associate investment equals or exceeds the carrying amount of its investment, the Group stops recognising its share of further losses. The Group recognises its share of any subsequent profits only after its share of profits equals its share of losses not recognised.

Goodwill arising on acquisition of associates is included within the investment cost. This is amortised over 10 years and included in the share of profits/losses included in the income statement.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group’s share of the profit or loss, other comprehensive income and equity of the joint venture.

When the Group’s share of losses of a joint venture investment equals or exceeds the carrying amount of its investment, the Group stops recognising its share of further losses. The Group recognises its share of any subsequent profits only after its share of profits equals its share of losses not recognised.

Goodwill arising on acquisition of joint ventures is included within the investment cost. This is amortised over 10 years and included in the share of profits/losses included in the income statement.

3. **Accounting policies *(continued)***

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash flows that are largely independent of the cash flows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the Group recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

3. Accounting policies *(continued)*

Financial instruments

The group applies Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Other Financial Assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial liabilities

Other financial liabilities issued by the group comprise convertible loan notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of other financial liabilities are initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised as the difference between the fair value of other financial liabilities as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of other financial liabilities is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Loans receivable

Loans receivable are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method, less any impairment. An indicative interest rate is used to calculate the amortised cost of interest free related party loans. This is based on comparable interest rates on loans that the Group has given to other entities.

Executory contracts

Where the Group holds derivative options for non-financial instruments, these are treated as executory contracts and are therefore held off the balance sheet. See note 23 of these financial statements for more information.

Employee benefits

All employee benefits are categorised under cost of sales.

Defined contribution pension plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

3. **Accounting policies** ***(continued)***

Employee benefits ***(continued)***

Share-based payments

The Group issues share-based payments to certain employees, including directors. These share-based payments are recognised in accordance with section 26 of FRS 102.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the group's estimate of the shares that will eventually vest, which involves making assumptions about the number of leavers over the vesting period. The vesting period is determined by the period of time the employees must remain in the Group's employment before the rights to the shares transfer unconditionally to them.

Fair value has been determined with reference to recent transactions with external investors in the company's shares.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately.

However, if a new transaction is substituted for the cancelled transaction and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Cash settled share-based payments are measured at fair value at the balance sheet date. The Group recognises a liability based on the estimate of options that will vest and the expected vesting date. Further information on the cash settled share-based payments in the period are detailed in note 25 of these financial statements.

Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Business combinations

Business combinations are accounted for using the purchase method.

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

3. Accounting policies *(continued)*

Business combinations *(continued)*

Where control is achieved in stages, goodwill is calculated as the sum of the goodwill arising on each purchase of shares in these entities, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date at fair value. Where contingent consideration is estimated at acquisition and this estimate changes, any change to the consideration is treated as an adjustment to the goodwill.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Merger relief is applied where the Group issues equity shares in consideration for the shares of another company and secures at least a 90% equity holding in the other company. Where the criteria for merger relief are met, share premium is not recorded on the issue of these shares, and instead a merger reserve is used. This is a requirement of section 612 of the Companies Act 2006 when these criteria are met.

Impact of changes to accounting

FRS 102 was amended in December 2020 to deal with the financial reporting implications associated with the replacement of interest rate benchmarks as part of the international interest rate benchmark reforms. These amendments are referred to as Phase 2 of the interest rate benchmark reform related amendments to FRS 102. Application of the amendments is mandatory and effective for accounting periods beginning on or after 1 January 2021, with early application permitted. There is no effect of the interest rate benchmark reform on the current or prior years' financial statements. The effect of the reform on the future financial statements is currently uncertain.

4. Turnover

Turnover arises from:

	2022 **£**	2021 £	2020 £
Rendering of services	**81,625,144**	75,164,498	52,263,050

The turnover is attributable to the one principal activity of the Group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2022 **£**	2021 £	2020 £
United Kingdom	**59,756,726**	53,053,810	32,371,445
Switzerland	**4,540,147**	5,550,023	5,535,726
Portugal	**1,592,940**	1,283,637	913,623
USA	**9,537,758**	8,367,509	7,339,809
Hong Kong	**3,967,811**	5,206,522	4,863,268
Spain	**27,750**	335,633	347,149
France	**2,202,012**	1,367,364	784,189
Australia	—	—	107,841
	—	—	—
	81,625,144	75,164,498	52,263,050

5. Gains/(losses) on investments

	2022 **£**	2021 £	2020 £
Loss on disposal and restructuring of interests in joint ventures and associates	**—**	(452,591)	(57,208)
Gain on disposal of other investments	**2,108**	—	222,222
	—	—	—
	2,108	(452,591)	165,014

The loss reported in 2021 includes a transaction of £148,277 between equity holders in the group headed by Alvarium Investment (NZ) Limited which has had the impact of diluting the share of net assets of the investee held by the Group. The balance of £304,314 relates to the disposal of the group’s interests in Alvarium Media Finance LLC.

The loss in the 2020 relates to the Group reducing its holding in Alvarium Investment (NZ) Limited from 50% to 46%.

6. Operating profit or loss

Operating profit or loss is stated after charging/(crediting):

	2022 **£**	2021 £	2020 £
Depreciation of tangible assets	**510,283**	552,293	536,319
Impairment of trade debtors	**2,397,367**	277,682	439,829
Equity-settled share-based payments (credit)/expense	**20,413,653**	(1,333)	7,296
Cash-settled share-based payments expense	**10,484,590**	—	—
Foreign exchange differences	**(1,140,522)**	278,611	451,027

7. Loss from disposal of investment in associate

	2022 **£**	2021 £	2020 £
Loss on disposal of interests in associates	**54,615**	—	—

8. Gain on disposal of investment in joint venture

	2022 **£**	2021 £	2020 £
Gain on disposal of interests in JV	**4,660,861**	—	—

The gain reported in the current year relates to the disposal of the group's 46% interest in Alvarium Investment (NZ) Limited and 23% interests in Templeton C&M Holdco Limited and NZ PropCo Holdings Limited. On 30 September 2022 the Group fully disposed of its investments in these joint ventures in return for cash consideration of £7.3m. £2.7m of this consideration is deferred, with £692k being receivable on 30 September 2023 and £1,975k being receivable in ten equal instalments over the next 5 years. Non-current consideration receivable has been recognised at present value using a discount rate of 8%.

9. Income from other fixed asset investments

	2022 **£**	2021 £	2020 £
Income from disposal of asset held at book value	**—**	530,170	—
Loss on disposal of other fixed asset investments	**(1)**	—	—
Dividends from other fixed asset investments	**10,350**	17,619	3,158
	—	—	—
	10,349	547,789	3,158

10. Interest receivable

	2022 £	2021 £	2020 £
Interest on loans and receivables	**61,802**	44,002	100,694
Interest on cash and cash equivalents	**3,228**	313	1,700
Interest receivable from joint ventures and associates	**93,430**	159,755	146,690
	—	—	—
	158,460	204,070	249,084

The total income recognised in respect of financial assets measured at amortised cost is £158,460 (2021: £204,070, 2020: £249,084).

The group does not have any financial assets measured at fair value through profit or loss.

11. Interest payable

	2022 £	2021 £	2020 £
Interest on banks loans and overdrafts	**694,854**	626,214	631,866
Interest on obligations under finance leases and hire purchase contracts	**2,835**	19,683	37,226
Interest on shareholder loan facility	**5,205,024**	844,053	–
Other interest payable and similar charges	**17,991**	321,520	60,496
	—	—	—
	5,920,704	1,811,470	729,588

The total expense recognised in relation to financial liabilities measured at amortised cost is £5,920,704 (2021: £1,811,470, 2020: £729,588).

The group does not have any financial liabilities measured at fair value through profit or loss.

12. Taxation on ordinary activities

Major components of tax income

	2022 £	2021 £	2020 £
Current tax:			
UK current tax expense	**—**	303,357	686,159
Adjustments in respect of prior periods	**5,762**	380	(18,420)
Total UK current tax	**5,762**	303,737	667,739
Foreign current tax expense	**384,770**	517,781	362,736
Adjustments in respect of prior periods	**44,423**	(20,344)	30,727
Total foreign tax	**429,193**	497,437	393,463
Total current tax	**434,955**	801,174	1,061,202
Deferred tax:			
Origination and reversal of timing differences	**(3,775,045)**	1,407,915	(142,158)
Impact of change in tax rate	**(1,384,235)**	(156,063)	58,184
Recognition of prior period timing differences	**—**	(2,589,487)	(1,292,391)
Adjustments in respect of prior periods	**(46,053)**	—	—
Total deferred tax	**(5,205,333)**	(1,337,635)	(1,376,365)
Taxation on ordinary activities	**(4,770,378)**	(536,461)	(315,163)

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. The impact of this on the Group’s deferred tax assets and liabilities is included above.

12. Taxation on ordinary activities (*continued*)

Reconciliation of tax income

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2021: lower than, 2020: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%, 2020: 19%).

	2022 £	2021 £	2020 £
(Loss)/profit on ordinary activities before taxation	**(51,285,586)**	1,411,413	(3,692,354)
(Loss)/profit on ordinary activities by rate of tax	**(9,744,260)**	268,168	(701,547)
Adjustment to tax charge in respect of prior periods	**4,132**	(19,964)	12,307
Effect of expenses not deductible for tax purposes	**2,829,162**	1,672,344	369,791
Effect of capital allowances and depreciation	**(5,228)**	52,978	3,298
Effect of revenue exempt from tax	**—**	(3)	(125,015)
Effect of different overseas tax rates on some earnings	**(397,054)**	(193,301)	(218,185)
Utilisation of tax losses	**—**	(422,151)	(95,239)
Unused tax losses	**4,030,074**	402,001	1,235,991
(Gain)/loss on disposal not taxable	**(855,205)**	28,173	(99,993)
Amortisation arising on consolidation	**632,750**	651,675	662,877
Recognition of DTAs for previously unrecognised losses	**—**	(2,589,487)	(1,292,391)
Effect of change in UK tax rates	**(1,384,235)**	(156,063)	—
Specific tax allowance in US subsidiary	**—**	—	(98,199)
Income from associates and JV's not taxable in group	**119,486**	(230,831)	31,142
Tax on (loss)/profit	**(1,384,235)**	(536,461)	(315,163)

13. Intangible assets

	Goodwill £	Patents, trademarks and licences £	Client lists £	**Total £**
Cost				
At 1 January 2022	33,914,523	524,848	30,238,028	**64,677,399**
Additions	—	—	39,999,816	**39,999,816**
Translation gains	447,091	—	772,736	**1,219,827**
At 31 December 2022	34,361,614	524,848	71,010,580	**105,897,042**
Amortisation				
At 1 January 2022	19,074,971	524,848	11,435,493	**31,035,312**
Charge for the year	3,330,261	—	5,482,048	**8,812,309**
At 31 December 2022	22,405,232	524,848	16,917,541	**39,847,621**
Carrying amount				
At 31 December 2022	11,956,382	—	54,093,039	**66,049,421**
At 31 December 2021	14,839,552	—	18,802,535	**33,642,087**

	Goodwill £	Patents, trademarks and licences £	Client lists £	**Total £**
Cost				
At 1 January 2021	34,163,414	524,848	30,287,194	**64,975,456**
Additions	—	—	—	**—**
Translation losses	(248,891)	—	(49,166)	**(298,057)**
At 31 December 2021	33,914,523	524,848	30,238,028	**64,677,399**
Amortisation				
At 1 January 2021	15,645,101	524,848	9,141,621	**25,311,570**
Charge for the year	3,429,870	—	2,293,872	**5,723,742**
At 31 December 2021	19,074,971	524,848	11,435,493	**31,035,312**
Carrying amount				
At 31 December 2021	14,839,552	—	18,802,535	**33,642,087**
At 31 December 2020	18,518,313	—	21,145,573	39,663,886

13. Intangible assets (*continued*)

On 11 July 2022, a subsidiary of Alvarium, LXI REIT Advisors Limited, acquired the rights to manage Secure Income REIT plc, by purchasing the existing shares of Prestbury Investment Partners Limited, for £40 million (this was connected to a wider transaction in which Secure Income REIT plc was itself acquired by LXi REIT plc, and LXi REIT Advisors Limited advises the combined entity). The acquisition was financed via a loan from Alvarium shareholders. This acquisition has been treated as an asset acquisition for accounting and reporting purposes and has resulted in the recognition of a £40m intangible asset for the customer relationship with Secure Income REIT plc, as disclosed above. This transaction has been treated as an asset acquisition because Prestbury Investment Partners Limited is not deemed to be a business for the purposes of this transaction, it is an entity which has been fully absorbed into LXI REIT Advisors Limited. Additionally, the Group has not acquired employees or processes from Prestbury Investment Partners Limited. The acquisition is treated as a non-cash transaction for the purposes of the Statement of Cash Flows as the transaction comprised an acquisition of assets by assuming directly related liabilities. The transaction was physically settled by loan finance proceeds provided directly to Prestbury Investment Partners Limited by Alvarium shareholders.

This intangible asset is being amortised over the life of the contract, which is 6 years from acquisition.

14. Tangible assets

	Land and buildings £	Fixtures and fittings £	Equipment £	**Total £**
Cost				
At 1 January 2022	893,306	704,325	1,783,885	**3,381,516**
Additions	1,638,285	354,829	127,789	**2,120,903**
Disposals	(754,802)	(217,031)	(418,268)	**(1,390,101)**
Translation gains	12,913	18,436	93,157	**124,506**
At 31 December 2022	1,789,702	860,559	1,586,563	**4,236,824**
Depreciation				
At 1 January 2022	725,991	555,008	1,342,365	**2,623,364**
Charge for the year	195,901	71,628	242,754	**510,283**
Disposals	(754,802)	(217,031)	(413,025)	**(1,384,858)**
Translation gains	3,805	14,180	67,198	**85,183**
At 31 December 2022	170,895	423,785	1,239,292	**1,833,972**
Carrying amount				
At 31 December 2022	1,618,807	436,774	347,271	**2,402,852**
At 31 December 2021	167,315	149,317	441,520	**758,152**

14. Tangible assets (*continued*)

	Land and buildings £	Fixtures and fittings £	Equipment £	**Total £**
Cost				
At 1 January 2021	887,072	685,643	1,652,988	**3,225,703**
Additions	5,208	26,869	383,151	**415,228**
Disposals	—	(8,501)	(228,879)	**(237,380)**
Translation gains/(losses)	1,026	314	(23,375)	**(22,035)**
At 31 December 2021	893,306	704,325	1,783,885	**3,381,516**
Depreciation				
At 1 January 2021	509,023	477,337	1,323,930	**2,310,290**
Charge for the year	216,599	86,126	249,568	**552,293**
Disposals	—	(8,501)	(210,903)	**(219,404)**
Translation gains/(losses)	369	46	(20,230)	**(19,815)**
At 31 December 2021	725,991	555,008	1,342,365	**2,623,364**
Carrying amount				
At 31 December 2021	167,315	149,317	441,520	**758,152**
At 31 December 2020	378,049	208,306	329,058	915,413

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases:

	Land and buildings £	**Total £**
At 31 December 2022	—	**—**
At 31 December 2021	82,753	**82,753**

15. Investments

	Interests in associates £	Joint ventures £	Other investments other than loans £	**Total £**
Share of net assets/cost				
At 1 January 2022	2,960,255	10,265,495	2,245,098	**15,470,848**
Additions	—	7,456	39,634	**47,090**
Disposals	(54,614)	(2,683,399)	(30,690)	**(2,768,703)**
Revaluations	—	—	(105,606)	**(105,606)**
Loss of controlling interest in subsidiary	—	8,020	(8,020)	**—**
Share of profit or loss	760,372	(264,317)	—	**496,055**
Dividends received	(1,675,101)	(1,749,829)	—	**(3,424,930)**
Movements in equity	—	23,969	—	**23,969**
Gains/(losses) on translation	96,737	64,578	46,827	**208,142**
At 31 December 2022	2,087,649	5,671,973	2,187,243	**9,946,865**
Impairment				
At 1 January 2022	231,008	169,418	272,929	**673,355**
Impairment losses	—	—	1,642,997	**1,642,997**
At 31 December 2022	231,008	169,418	1,915,926	**2,316,352**
Carrying amount				
At 31 December 2022	1,856,641	5,502,555	271,317	**7,630,513**

	Interests in associates £	Joint ventures £	Other investments other than loans £	**Total £**
Share of net assets/cost				
At 1 January 2021	2,902,373	9,482,998	198,061	**12,583,432**
Additions	—	6,208	2,220,050	**2,226,258**
Disposals	(10,206)	—	(85,121)	**(95,327)**
Revaluations	—	—	(87,892)	**(87,892)**
Share of profit or loss	1,410,850	2,898,485	—	**4,309,335**
Dividends received	(1,312,561)	(1,266,860)	—	**(2,579,421)**
Movements in equity	—	(655,944)	—	**(655,944)**
Gains/(losses) on translation	(30,201)	(199,392)	—	**(229,593)**
At 31 December 2021	2,960,255	10,265,495	2,245,098	**15,470,848**
Impairment				
At 1 January 2021	231,008	169,418	30,429	**430,855**
Impairment losses	—	—	242,500	**242,500**
At 31 December 2021	231,008	169,418	272,929	**673,355**
Carrying amount				
At 31 December 2021	2,729,247	10,096,077	1,972,169	**14,797,493**

15. Investments *(continued)*

The share of profit or loss from associates and joint ventures includes amortisation relating to the acquisition of those associates and joint ventures totalling £72,906 (2021: £68,321, 2020: £73,526) and £641,873 (2021: £641,873, 2020: £641,873).

The 'other investments' figure above includes a convertible note and warrants in an unlisted entity which was purchased in December 2021. These investments are held at a fair value of £1,642,997 which was the cost of the investments. The fair value is driven by the realisation of a variety of conversion features and the credit quality of the underlying business as well as its ability to pay interest payments. If certain conversion features were to occur, this would result in a material gain. A review of this asset was undertaken at the year end and a full write off of £1,642,997 has been recognised.

15. Investments *(continued)*

Subsidiaries, associates and other investments

Details of the investments in which the Group and the parent Company have an interest of 20% or more are as follows:

Subsidiary undertakings	Country of incorporation	Class of share	Percentage of shares held 2022	2021	2020
Alvarium RE Limited(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Investment Management Limited(1)	United Kingdom	Ordinary	**75**	75	75
		Ordinary*	**25**	25	25
Alvarium PO (Payments) Limited*(1)	United Kingdom	Ordinary*	**100**	100	100
LJ GP Carry Sarl(6)	Luxembourg	Ordinary	**100**	100	100
Alvarium Investment Advisors (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Investments Advisors (USA) Inc.(3)	USA	Ordinary	**100**	100	100
Alvarium RE (US) LLC.(3)	USA	Ordinary	**100**	100	100
Alvarium Investments Advisors (Suisse) SA(5)	Switzerland	Ordinary	**100**	100	100
Alvarium Investments Advisors (Hong Kong) Limited(23)	Hong Kong	Ordinary	**100**	100	100
Alvarium Investments Advisors (Portugal) Limited	Portugal	Ordinary	**100**	100	100
LJ GP International Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Trust and Fiduciary Holdings Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Group Holdings Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Management (Suisse) SA*(5)	Switzerland	Ordinary	**100**	100	100
LJ Management (IOM) Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Capital (IOM) Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Luxembourg SA*(6)	Luxembourg	Ordinary	**100**	100	100
Alvarium Investment Managers (UK) LLP*(1)	United Kingdom	LLP Interest	**98**	98	98
Alvarium PO Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Private Client Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Pradera Holdings Limited*(1)	United Kingdom	Ordinary	**100**	100	100
LJ Capital (IOM) Hadley Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Alvarium Investment Management (US) Holdings Corp(4)	USA	Ordinary	**100**	100	100
LJ Sports and Entertainment LLC*(4)	USA	Ordinary	**0**	100	100
Alvarium Investment Managers LLC*(4)	USA	Partnership interest	**100**	100	100
Alvarium Fund Managers (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100
LJ Capital (HPGL) Limited*(1)	United Kingdom	Ordinary A and B	**100**	100	100
Alvarium CI (US) LLC(4)	USA	Partnership interest	**100**	100	100
Alvarium MB (US) BD LLC(4)	USA	Partnership interest	**100**	100	100
Alvarium CI Limited(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium CI Advisors (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Subsidiary undertakings	**Country of incorporation**	**Class of share**	**Percentage of shares held**		
			2022	**2021**	**2020**
Alvarium Home REIT Advisors Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Compass GP Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Alvarium Group Operations Limited(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Investment Advisors (Singapore) Pte. Limited(29)	Singapore	Ordinary	**100**	100	100
Alvarium MB Limited(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium MB (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Securities Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Investments Advisors (France) SAS*(2)	France	Ordinary	**100**	100	100
LJ Pankow I Feeder GP Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Pankow II Feeder GP Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Puffin Agencies Limited*(9)	Gibraltar	Ordinary	**100**	100	100
Clambake Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
Clambake Inc.* (8)	Marshall Islands	Ordinary	**100**	100	100
Dubois Services Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
Cellar Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
LJ Management (BVI) Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
LJ Skye Services Limited*(19)	British Virgin Islands	Ordinary	**0**	100	100
Cellar Inc.*(10)	Turks and Caicos	Ordinary	**100**	100	100
LJ Capital Partners Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
Triptych Holdings (Gibraltar) Limited*(9)	Gibraltar	Ordinary	**0**	100	100
LJ Skye Trustees Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Alvarium Management (IOM) Limited	Isle of Man	Ordinary	**0**	100	100

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Subsidiary undertakings	Country of incorporation	Class of share	Percentage of shares held		
			2022	**2021**	**2020**
Waterstreet One Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Waterstreet Two Limited*(7)	Isle of Man	Ordinary	**0**	100	100
Park Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Lake Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Harbour Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Stone Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Whitebridge Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ QG Bow Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Ardstone Spain S.L.*(26)	Spain	Ordinary	**70**	70	70
LJ Cresco Holdco Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Alvarium Services (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Fiduciaries (UK) (UK) Limited*(1)	United Kingdom	Ordinary	**100**	100	100
LJ Cresco GP Holdings Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LJ Capital (IOM) T4 Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Loire Services Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Southwood Limited*(7)	Isle of Man	Ordinary	**100**	100	100
Mooragh (BVI) Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
Whitebridge (BVI) Limited*(19)	British Virgin Islands	Ordinary	**100**	100	100
LJ Station 2 GP Limited*(19)	Isle of man	Ordinary	**100**	100	100
LJ Fusion Feeder GP Limited*(7)	Isle of Man	Ordinary	**100**	100	100
LXI REIT Advisors Limited*(1)	United Kingdom	Ordinary	**100**	100	59
Alvarium Social Housing Advisors Limited*(1)	United Kingdom	Ordinary	**100**	100	76
Alvarium RE Public Markets Limited*(1)	United Kingdom	Ordinary	**100**	0	0
Alvarium Education Reit Limited*(1)	United Kingdom	Ordinary	**100**	0	0
Alvarium Willow GP*(7)	Isle of Man	Ordinary	**100**	0	0
Amalfi Investment Partner Limited*(1)	United Kingdom	Ordinary	**100**	0	0
Alvarium RE Global Opportunistic I GP Limited*(7)	Isle of Man	Ordinary	**100**	0	0
Amalfi B Limited*(7)	Isle of Man	Ordinary	**100**	0	0
Alvarium Willow US LLC	USA	Ordinary	**100**	0	0

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Other holdings	Country of incorporation	Class of share	Percentage of shares held 2022	2021	2020
LJ Capital (Woody) Limited*	United Kingdom	A Shares	**0**	80	80
		B Shares	**0**	16	16
LJ Capital (RL) Limited*	British Virgin Islands	A Shares	**0**	100	100
LJ London Holdings Limited	Isle of Man	Ordinary shares	**0**	100	100
LJ Maple Limited*	Guernsey	A Shares	**100**	100	100
LJ Greenwich Sarl*	Luxembourg	A Shares	**0**	0.19	0.19
		B Shares	**0**	100	100
LJ Maple Belgravia Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Circus Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Hamlet Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Hill Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple St. Johns Wood Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Kew Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Kensington Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Chelsea Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Tofty Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Duke Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Abbey Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Maple Nine Elms Limited*	British Virgin Islands	A Shares	**100**	100	100
LJ Green Lanes Holdings Limited*	Isle of Man	A Shares	**0**	100	100
LJ T4 GP Limited*	British Virgin Islands	A Shares	**100**	100	100
PMD Finance Sarl	Luxembourg	A Shares	**0**	2	2
CRE Advisers 1 SCA 2	Luxembourg	Ordinary	**30**	0	0
CRE Advisers 1 SCA 1	Luxembourg	Ordinary	**30**	0	0
PRESTBURY JERSEY LIMITED	Jersey	Ordinary	**100**	0	0
SIR Trustee 1 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 2 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 3 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 4 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 5 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 6 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 7 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 8 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 9 Limited*	Jersey	Ordinary	100	0	0

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Other holdings (refer to note 3 for accounting treatment)	Country of incorporation	Class of share	Percentage of shares held		
			2022	2021	2020
SIR Trustee 10 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 11 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 12 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 13 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 14 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 15 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 16 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 17 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 18 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 19 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 20 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 21 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 21 Limited*	Jersey	Ordinary	**100**	0	0
SIR Trustee 22 Limited*	Jersey	Ordinary	**100**	0	0
Queensgate Mayfair Carry LP*(7)	Isle of Man	Partnership Interest	**50**	50	50
Queensgate Carry Partner SCS	Luxembourg	Partnership Interest	**29**	29	29
Queensgate Mayfair Carry GP Ltd*(7)	Isle of Man	Ordinary Shares	50	50	50
Queensgate Mayfair Co-Invest GP Ltd*(7)	Isle of Man	Ordinary Shares	33	33	33
Queensgate Fusion GP LLP*(21)	United Kingdom	Partnership Interest	**17**	17	17
Queensgate Carry Partner GP Coop SA*(16)	Luxembourg	Ordinary Shares	**50**	50	50
Queensgate Bow Co-Invest Carry LP*(21)	United Kingdom	Partnership Interest	**26**	26	26
Queensgate Bow Co-Invest Carry GP LLP*(21)	United Kingdom	LLP Interest	**33**	33	33
Gem Carry GP LLP*(21)	United Kingdom	Partnership Interest	**50**	50	50
Gem Carry LP*(21)	United Kingdom	Partnership Interest	**25**	25	25
Queensgate Investments II AIV GP LLP*(12)	United Kingdom	LLP Interest	**17**	17	17
Queensgate Fusion Co-Invest Carry LP*(21)	United Kingdom	Partnership interest	**26**	26	26
Urban Spaces Carry LP*(22)	Guernsey	Partnership interest	**33**	25	25
Urban Spaces Carry GP Ltd*(22)	Guernsey	Partnership interest	**33**	33	33
Cresco Pankow 1 SCA*(17)	Luxembourg	Ordinary Shares	**30**	30	30
Cresco Terra 1 New SCA*(17)	Luxembourg	Ordinary Shares	**30**	30	30
Cresco Station 1 SCA*(17)	Luxembourg	Ordinary Shares	**30**	30	30
Pradera European Retails Parks Carry LP*(36)	United Kingtom	Partnership Interest	**30**	30	30
CRE Investment 1 SCA 1*(17)	Luxembourg	B Shares	**22.5**	22.5	0
CRE Investment 2 SCA 1*(17)	Luxembourg	B Shares	**22.5**	22.5	0
CRE Investment 3 SCA 1*(17)	Luxembourg	B Shares	**30**	0	0
CRE Investment 4 SCA 1*(17)	Luxembourg	B Shares	**30**	0	0
CRE Advisers 1 SCA 2*(17)	Luxembourg	B Shares	**30**	30	0
Debussy TopCo Sarl * (37)	Luxembourg	A Shares	**40**	0	0
CF I Feeder GP Limited*(25)	Cayman Islands	Ordinary	**100**	100	100
KF I Feeder GP Limited*(25)	Cayman Islands	Ordinary	**100**	100	100
LJ UK Cities Carry LP Inc*(7)	Isle of Man	Partnership Interest	**65**	65	65
Alvarium Goodmayes Limited*(1)	United Kingdom	Ordinary	**100**	100	100
Alvarium Streatham Limited*(1)	United Kingdom	Ordinary	**100**	100	100
VO Feeder GP*(25)	Cayman Islands	Ordinary	**100**	100	100
Alvarium Penge Limited*(1)	United Kingdom	Ordinary	**100**	100	100

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Associates	Country of incorporation	Class of share	Percentage of shares held 2022	2021	2020
Queensgate Investments LLP*(13)	United Kingdom	LLP Interest	**30**	30	30
Queensgate Investments II GP LLP*(12)	United Kingdom	LLP Interest	**30**	30	30
Queensgate Investment Management Limited*(13)	United Kingdom	Ordinary	**30**	30	30
Queensgate Hospitality Management Limited*(31)	United Kingdom	Ordinary	**30**	30	30
		A Shares	**100**	100	100
Cellar Holdings Limited	Ireland	Ordinary	**0**	50	50
Queensgate Investments I Sarl*(16)	Luxembourg	Ordinary Shares	**38**	38	38
Queensgate Investments II Carry GP LLP*(21)	United Kingdom	Partnership Interest	**17**	17	17
Queensgate Investments II Carry LP*(21)	United Kingdom	Partnership Interest	**24**	24	24
Queensgate Bow GP LLP*(14)	United Kingdom	LLP interest	**17**	17	17
Queensgate Fusion Co-Invest Carry GP LLP*(21)	United Kingdom	Partnership interest	**25**	25	25
Alvarium Capital Partners Limited*(1)	United Kingdom	Ordinary Shares	**0**	30	30
Alvarium Investment Managers (Suisse) SA*(30)	Switzerland	Ordinary Shares	**30**	30	30
NZ Propco Holdings Limited*(35)	New Zealand	Ordinary Shares	**0**	23	23
Templeton C&M Holdco Limited*(35)	New Zealand	Ordinary Shares	**0**	23	23

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Joint ventures	Country of incorporation	Class of share	Percentage of shares held		
			2022	2021	2020
Osprey Equity Partners Limited*(1)	United Kingdom	Ordinary	**50**	50	50
CRE S.à r.l*(17)	Luxembourg	Ordinary	**33**	33	33
Cresco Urban Yurt Sarl*(18)	Luxembourg	Ordinary	**33**	33	33
Cresco Urban Yurt S.L.P.* (18)	Luxembourg	Partnership interest	**33**	33	33
Cresco Capital Advisors LLP*(1)	United Kingdom	LLP Interest	**33**	33	33
Cresco Capital Group Fund I GP Limited*(22)	Guernsey	Ordinary	**33**	33	33
Cresco Immobilien Verwaltungs Gmbh*(27)	Germany	Ordinary	**33**	33	33
Cresco Terra Holdings Sarl*(17)	Luxembourg	Ordinary Shares	**30**	30	30
CRE Advisers GP Sarl*(17)	Luxembourg	Ordinary Shares	**30**	30	30
CRE investments GP Sarl*(17)	Luxembourg	Ordinary Shares	**30**	30	30
Osprey Aldgate Advisors Limited*(1)	United Kingdom	Ordinary	**50**	50	50
Kuno Investments Limited*(20)	British Virgin Islands	Ordinary	**50**	50	50
Alvarium Investment (NZ) Limited*(28)	New Zealand	Ordinary	**0**	46	46
Cresco Capital Urban Yurt Holdings 2 Sarl*(17)	Luxembourg	Ordinary	**33**	33	33
Alvarium Investments (AUS) Pty Limited*(33)	Australia	Ordinary	**50**	50	50
HPGL Holdings Limited*(24)	Hong Kong	Ordinary	**50**	50	50
Hadley Property Group Holdings Limited*(15)	United Kingdom	Ordinary	**35**	35	35
Alvarium Kalrock LLP*(1)	United Kingdom	Membership interest	**40**	40	40
Bluestar Advisors Limited*(1)	United Kingdom	Ordinary	**40**	40	40
Alvarium Bluestar Diamond Limited*(7)	Isle of Man	Ordinary	**40**	40	40
Alvarium Media Finance, LLC*(34)	United States	Membership Interest	**50**	50	50
Alvarium Osesam SAS*(2)	France	Ordinary	**50**	50	50
Pointwise Partners Limited*(1)	United Kingdom	Ordinary	**50**	50	50
Alvarium Core Partners LLP*(1)	United Kingdom	Membership interest	**40**	40	40
Casteel Capital LLP*(1)	United Kingdom	Membership Interest	**50**	50	50
Alvarium Guardian LLP*(1)	United Kingdom	Ordinary	**50**	50	0
Alvarium 64 Advisory LLP*(1)	United Kingdom	Partnership Interest	**50**	0	0
Cresco Investment 1 SCA 2*	Luxembourg	Ordinary Shares	**30**	0	0

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

Registered addresses

The subsidiaries, joint ventures and associates disclosed above are registered at the following addresses:

(1) 10 Old Burlington Street, London, W1S 3AG
(2) 35 Avenue Franklin D. Roosevelt, 75008, Paris
(3) 111 Brickell Avenue, Suite 2802, Miami, Florida, 33131
(4) 251 Little Falls Drive, Wilmington, DE 19808 New Castle County
(5) 8 Rue Saint Leger, Geneva 1205, Switzerland
(6) 6A, An Ditert L-8076 Bertrange, Luxembourg
(7) Commerce House, 1 Bowring Road, Ramsey, Isle of Man, IM8 2LQ
(8) Trust Company Complex, Ajeltake Road, Ajeltake Island, Marshall Islands
(9) Suite 16, Watergardens 5, Waterport Wharf, Gibraltar
(10) Britannic House, Providenciales, Turks and Caicos Islands
(11) C/o Pitcher Partners, Level 13, 664 Collins Street, Docklands, VIC 3008
(12) The Scalpel, 18th Floor, 52 Lime Street, London, England, EC3M 7AF
(13) 8 Hill Street, London, W1J 5NG
(14) Asticus Building, 2nd Floor, 21 Palmer Street, London, England, SW1H 0AD
(15) 3rd Floor, 16 Garrick Street, Garrick Street, London, United Kingdom, WC2E 9BA
(16) 1, Rue Jean-Pierre Brasseur, L-1258 Luxembourg
(17’ 6, rue d’ Arlon, L- 8399 Luxembourg Luxembourg
(18) 89e Parc d’Activité Luxembourg Capellan, Luxembourg
(19) 3rd Floor, Yamraj Building, Market Square, P.O. Box 3175, Road Town, Tortola, British Virgin Islands
(20) Equity Trust (BVI) Limited, PO Box 438, Palm Grove House, Road Town Tortola, BVI
(21) 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL
(22) 1 Royal Plaza Avenue, St Peter Port, Guernsey
(23) Suite 3801, One Exchange Square, 8 Connaught Place, Central, Hong Kong
(24) 22F South China Building, 1-3 Wyndham Street, Central, Hong Kong
(25) Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands
(26) RB De Catulunya, Num 86, P.1. PTA, Barcelona, 08008
(27) Rudi-Dutschke-Strasse 26, 10969 Berlin, Germany
(28) Zurich House, Level 9, 21 Queen Street, Auckland, 1010
(29) c/o Abogado Pte Ltd, 8 Marina Boulevard, 05-02, Marina Bay Financial Centre Tower 1, Singapore 018981
(30) Via Nassa 29, 6900 Lugano, Switzerland
(31) 97 Cromwell Road, London, England, SW7 4DN
(32) 6th Floor, Ken Lee Building, 20 Edith Cavell Street, Port Loius, Mauritius
(33) Level 13, 664 Collins Street, Docklands VIC 3008
(34) 9000 W Sunset Boulevard, Penthouse, West Hollywood, CA 90069
(35) 19 Mackelvie Street, Grey Lynn, Auckland, 1021 , New Zealand
(36) 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ
(37) 1A Heienhaff, L-1736 Senningerberg, Luxembourg

* denotes investments not held directly by the parent Company

15. Investments *(continued)*

Subsidiaries, associates and other investments *(continued)*

The below table represents the financial results of other holdings, for which the Group has not recorded the financial results in its consolidated financial statements. This is explained in detail in the 'Entities excluded from consolidation due to limited economic rights' section within note 3 to these financial statements:

	Capital and reserves		Profit/(loss) for the year	
	2022	2021	**2022**	2021
	£	£	**£**	£
Subsidiary undertakings				
LJ London Holdings Limited	**—**	—	**—**	(1,133)
LJ Maple Limited*	**(116,488)**	(101,370)	**(15,118)**	(26,504)
LJ Maple Chelsea Limited*	**375,731**	380,115	**(4,384)**	(11,113)
LJ Maple Hamlet Limited*	**57,799**	41,389	**16,410**	139,792
LJ Maple Circus Limited*	**(147,140)**	(110,193)	**(36,947)**	(8,275)
LJ Maple Belgravia*	**(45,630)**	(41,308)	**(4,322)**	(12,761)
LJ Maple Tofty Limited*	**(169,665)**	(165,417)	**(4,248)**	(8,056)
LJ Maple St Johns Wood Limited*	**(159,068)**	(153,722)	**(5,346)**	(9,246)
LJ Maple Kew Limited*	**(42,033)**	(37,370)	**(4,663)**	(7,537)
LJ Maple Kensington Limited	**(94,905)**	(89,901)	**(5,004)**	(9,056)
LJ Maple Hill Limited*	**124,421**	139,861	**(15,440)**	10,287
LJ Maple Nine Elms Limited*	**(786,397)**	(621,591)	**(164,806)**	(111,512)
LJ Maple Duke Limited*	**(229,215)**	(224,513)	**(4,702)**	70,885
LJ Maple Duke Holdings Limited*	**(2,394,199)**	(1,940,430)	**(453,769)**	(460,288)
LJ Maple Abbey Limited*	**(177,412)**	(172,889)	**(4,523)**	(11,147)
LJ T4 GP Limited*	**25,526,461**	25,536,278	**(9,817)**	6,705

* denotes investments not held directly by the parent company

16. Debtors

	2022	2021
	£	£
Trade debtors	**10,290,139**	8,911,840
Amounts owed by the Group's associates and joint ventures	**5,890,716**	5,771,802
Deferred tax asset	**9,365,225**	4,104,324
Prepayments and accrued income	**12,819,192**	13,929,657
Corporation tax repayable	**159,012**	—
Deferred consideration receivable	**2,834,948**	—
Other debtors	**5,643,473**	4,285,775
	47,002,705	37,003,398

The debtors above include the following amounts falling due after more than one year:

	2022	2021
	£	£
Deferred consideration receivable	**1,620,653**	—

16. Debtors *(continued)*

Amounts due from the groups associates and joint ventures

The group has provided various working capital loans to a number of its associates and joint ventures. These have generally been used to fund the activities of the investees while they are in a start up phase. These loans have a variety of terms in respect of interest rates and repayment terms. Any interest accruing on these loans are added to the balances disclosed above.

Deferred consideration receivable

Consideration totalling £2,801,843 outstanding on the disposal of the group's 46% interest in Alvarium Investment (NZ) Limited and 23% interests in Templeton C&M Holdco Limited and NZ PropCo Holdings Limited in September 2022, as disclosed in note 8. The total consideration is due for payment in equal bi-annual instalments through to September 2027 and has been discounted at a rate of 8% p.a. The non-current portion is disclosed above.

Other debtors

Other debtors include £1,101,050 (2021: £1,101,050) of loans and working capital loans to the LJ Maple entities, as detailed further in note 33 to these financial statements.

17. Other current assets

	2022 £	2021 £
Other investments	**7,446**	4,254

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Subordinated shareholder loan	**39,957,461**	—
Bank loans and overdrafts	**10,402,645**	10,323,187
Deferred consideration payable on acquisition	**—**	179,122
Trade creditors	**10,098,489**	2,175,401
Amounts owed to the Group's associates and joint ventures	**870,671**	749,005
Accruals and deferred income	**26,392,259**	23,950,275
Corporation tax	**1,296,477**	452,484
Social security and other taxes	**4,908,017**	1,001,918
Obligations under finance leases and hire purchase contracts	**—**	127,174
Other creditors	**2,409,072**	1,945,286
	96,335,091	40,903,852

Refer to note 19 for further details of the deferred consideration payable on acquisition.

Bank loan

The bank loan accrues interest at SONIA plus 4.75% (2021 and 2020: LIBOR plus 4.75%). It was repaid in full in January 2023.

18. Creditors: amounts falling due within one year *(continued)*

Subordinated shareholder loan

The shareholder loans attract interest at 25% and were repaid in January 2023. There was an option to convert the shareholder loan to shares in the Group at an option price based on the Group's latest valuation.

19. Deferred consideration payable on acquisition

Details regarding the deferred consideration payable on acquisition are given below:

	Iskander SAS £	Albacore SA £	Alvarium Investment Managers (UK) LLP £	Total £
Brought forward at 1 January 2022	179,122	—	—	**179,122**
Payments made	(192,461)	—	—	**(192,461)**
Interest	2,319	—	—	**2,319**
Foreign exchange variances	11,020	—	—	**11,020**
Carried forward at 31 December 2022	—	—	—	**—**

	Iskander SAS £	Albacore SA £	Alvarium Investment Managers (UK) LLP £	Total £
Brought forward at 1 January 2021	1,058,023	—	—	**1,058,023**
Payments made	(859,107)	—	—	**(859,107)**
Interest	25,798	—	—	**25,798**
Foreign exchange variances	(45,592)	—	—	**(45,592)**
Carried forward at 31 December 2021	179,122	—	—	**179,122**

Alvarium Investment Managers (UK) LLP

Following the acquisition of Alvarium Investment Managers (UK) LLP in March 2015, the final deferred consideration instalment was settled in March 2020. The amount due for payment in March 2020 was £530,263. This had historically been discounted using a discount rate of 9.75%.

During the year discount of £nil (2021: £nil, 2020: £7,425) has been released to the income statement as an interest charge.

The estimates concerning the amount payable were also revised in line with the final payment calculations, resulting in the recognition of an additional £nil (2021: £nil, 2020: £100,646) liability due for payment.

The liability had been settled in full at 31 December 2020.

19. Deferred consideration payable on acquisition *(continued)*

Iskander SAS

Following the acquisition of Iskander SAS in March 2019, deferred consideration was due in various instalments, the last of which was a fixed amount of EUR215,803 paid in March 2022.

A downward adjustment of £nil (2021: £nil, 2020: £37,646, EUR50,000) was made to the consideration during the year, and payments of EUR215,803 (2021: EUR1,000,000, 2020: EURNIL) were made during the year and translated to a GBP equivalent of £192,461 (2021: £859,107, 2020: £nil).

The remaining amount outstanding has been historically discounted using a discount rate of 5.50% (being the prevailing rate of interest on the group's bank facility at the date of acquisition) to a present value of EUR183,781 (2021: EUR183,781) and translated to a GBP equivalent of £158,200 (2021: £158,010).

During the year discount totalling £2,319 (2021: £25,798, 2020: £46,179) was released to the income statement, and a foreign exchange loss of £11,020 (2021: gain - £45,592, 2020: loss - £56,472) also recognised in the income statement.

Closing liabilities of £nil (2021: £179,122) and £nil (2021: £nil) are included in creditors falling due within one year and more than one year respectively.

Albacore SA

The group acquired a 30% share in Albacore SA during 2019. Deferred consideration of CHF 536,125 was estimated to be due in March 2020. During 2020 this was revised upwards to CHF570,880 and settled in full.

This had been discounted using a discount rate of 5.50% to a present value of CHF508,175 and translated to a GBP equivalent of £391,839.

During the year discount totalling £nil (2021: £nil, 2020: £5,484) was released to the income statement, and a foreign exchange loss of £nil (2021: £nil, 2020: £32,169) also recognised in the income statement.

The liability had been settled in full at 31 December 2020.

20. Obligations under finance leases

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2022 **£**	2021 £
Not later than 1 year	—	130,009
Less: future finance charges	—	(2,835)
Present value of minimum lease payments	—	127,174

21. Provisions

	Deferred tax (note 22) £
At 1 January 2022	1,958,233
Additions	87,713
Charge against provision	(186,790)
Foreign exchange difference	152,804
At 31 December 2022	**2,011,960**

	Deferred tax (note 22) £
At 1 January 2021	1,978,716
Additions	39,876
Charge against provision	(57,020)
Foreign exchange difference	(3,339)
At 31 December 2021	**1,958,233**

	Deferred tax (note 22) £
At 1 January 2020	2,098,969
Additions	1,527
Charge against provision	(129,076)
Foreign exchange difference	7,296
At 31 December 2020	**1,978,716**

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2022 £	2021 £
Included in debtors (note 16)	**9,365,225**	4,104,324
Included in provisions (note 21)	**(2,011,960)**	(1,958,233)
	7,353,265	2,146,091

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022 £	2021 £
Accelerated capital allowances	**(123,440)**	(41,829)
Unused tax losses	**7,748,436**	3,512,706
Share-based payments	**373,987**	—
Business combinations	**(1,884,863)**	(1,916,404)
Accrued expenses not yet tax deductible	**44,850**	197,887
Specific allowance in US subsidiary	**301,634**	393,731
Corporate interest restriction	**892,661**	—
	7,353,265	2,146,091

22. Deferred tax *(continued)*

Unused tax losses

The Group has recognised carried forward deferred tax assets amounting to £6,627,787 (2021: £2,853,572) relating to unused UK corporation tax losses of £27,259,752 (2021: £13,595,618), which are forecast to be realised during the years ending 31 Dec 2023 and 2024 and will result in an estimated UK tax saving of £6,647,787 (2021: £2,853,572). The impact of the change in the rate of UK corporation tax to 25% from 1 April 2023 (announced March 2021) has been factored into the asset based on the forecast realisation date.

The Group has recognised carried forward deferred tax assets amounting to £104,529 (2021: £53,610) relating to unused Swiss corporation tax losses of CHF835,858 (2021: CHF472,567), which when realised will result in a Swiss tax saving of CHF116,937 (2021: CHF66,112).

The Group has recognised carried forward deferred tax assets amounting to £1,019,069 (2021: £605,524) relating to unused US corporation tax losses of $4,857,363 (2021: $3,232,320), which when realised will result in a US tax saving of $1,231,342 (2021: $819,393).

Specific allowance in US subsidiary

The Group also has recognised a deferred tax asset in respect of some tax goodwill arising in a US subsidiary which is being amortised through to 2024. The amortisation charge, which is not recognised in the accounts, is a tax deductible expense and hence will result in a future tax deduction.

Business combinations

The Group has carried forward deferred tax liabilities amounting to £1,884,363 (2021: £1,916,404) in relation to separate intangible assets arising on business combinations from 2014 through to 2016. The impact of the change in the rate of UK corporation tax to 25% from 1 April 2023 (announced March 2021) has been factored into the liability based on the forecast realisation date.

Accrued expenses not yet tax deductible

The Group has a recognised deferred tax asset amounting to £44,850 (2021 - £197,887) in respect of certain accrued expenses amounting to £188,581 in a Portuguese and US subsidiary which are not tax deductible until settled.

Share-based payments

The Group has recognised a deferred tax asset amounting to £373,987 (2021 - £nil) in respect of equity settled share-based payment expenses of £1,504,076 (2021 - £nil) in the UK, US and Portugal. It is anticipated these amounts will be tax deductible at various points in the future in those jurisdictions.

Unrecognised deferred tax

The Group has the following unrecognised deferred tax assets and liabilities:

	2022 £	2021 £
Unused tax losses	**2,913,023**	2,018,188
Share-based payments	**4,324,876**	—
Accrued expenses not yet tax deductible	**—**	115,352
	7,237,899	2,133,540

22. Deferred tax *(continued)*

Unused tax losses

In addition to the above, the group has cumulative UK tax losses of £2,347,834 (2021: £2,347,834), which if realised at the 2023 blended UK main corporation tax rate of 23.5% would generate a tax saving of £551,741 (2021: £446,088). If utilised at the rate of 25% expected to apply from 1 April 2023 then the tax saving generated from the future utilisation of these losses increases to £586,959 (2021: £586,959). No deferred tax asset has been recognised in respect of these tax losses due to the uncertain timing of sufficient taxable profits being generated to utilise them.

The Group also has cumulative US tax losses relating to three US subsidiaries totalling $9,753,755 (2021: $7,206,273, 2020: $5,316,060), which if realised at the USA 2023 federal plus state corporation tax rate of 25.35% would generate a tax saving of $2,472,577 (2021: $1,826,790). At the USD:GBP exchange rates as of 31 December 2022, this amounts to an unrecognised deferred tax asset of £2,046,327 (2021: £1,349,978). No deferred tax asset has been recognised in respect of these tax losses due to the uncertain timing of sufficient profits being generated to utilise them.

The group also has cumulative French tax losses relating to a French subsidiary totalling EUR1,422,967 (2021: EUR1,056,679), which if realised at the French 2022 corporation tax rate of 25% would result in a tax saving of EUR355,742 (2021: EUR264,170). At the EUR:GBP exchange rates as of 31 December 2022, this amounts to an unrecognised deferred tax asset of £314,955 (2021: £222,122). No deferred tax asset has been recognised in respect of these tax losses due to the uncertain timing of sufficient profits being generated to utilise them.

Accrued expenses not yet tax deductible

The Group has an unrecognised deferred tax asset amounting to £nil (2021: £115,352) in respect of certain accrued expenses amounting to $nil (2021: $615,759) in a US subsidiary which are not tax deductible until settled. Once realised this will result in a US tax saving of $nil (2021: $156,095). No deferred tax asset has been recognised in respect of these accrued expenses due to the uncertain timing of sufficient profits being generated to utilise them.

Share-based payments

The Group has an unrecognised a deferred tax asset amounting to £4,324,876 (2021: £nil) in respect of equity settled share-based payment expenses of £17,248,344 (2021: £nil) in various jurisdictions. It is anticipated these amounts will be tax deductible at various points in the future in those jurisdictions but no asset has been recognised due to the uncertain timing of sufficient profits being generated to utilise the future deduction.

23. Executory contracts

At 31 December 2020, the Group held an option to purchase crypto assets. This option was deemed to be a non-financial instrument because the option can only be settled for the underlying assets, rather than cash. As a result, this arrangement was treated as an executory contract to exercise the option, and was therefore held off the balance sheet. This executory contract had an intrinsic value of £270,013 at 31 December 2020.

At 31 December 2022 and 31 December 2021 the Group does not have any similar arrangements.

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,531,928 (2021: £1,092,981, 2020: £1,063,009).

25. Share-based payments

In April 2022, the Group granted awards to key employees and directors as part of a Long Term Incentive Plan ("LTIP") that could be settled in cash, shares or a combination of both. The value of these awards was determined by the appreciation of the Group's value between 1 January 2019 and 31 December 2021, provided that a minimum target valuation was met. The finalization of the governing terms and issuance of the awards was conditional on the successful close of the business combination and public listing with Cartesian Growth Corporation at which point the awards would become payable.

All awards were subject to the absolute discretion of a committee set up under the LTIP Rules which provided broad latitude to redesign the awards and further develop the terms of the awards prior to the close of the business combination. The conditional and discretionary nature of the awards were emphasised in the communications with employees at the time of the awards in April.

In August 2022, the terms of the LTIP's Earn-Out consideration were revised when the Business Combination Agreement was renegotiated. This resulted in the acceleration of 2.1 million of Cartesian Growth Corporation shares to settle the anticipated share-settled portion of the LTIP upon closing. As part of the renegotiation, Cartesian Growth Corporation agreed to transfer approximately 360,485 shares as additional consideration in settlement of the share-settled portion of the LTIP also upon closing.

In September 2022, the Group decided to modify the terms of the LTIP and in effect bifurcate the award with a cash and shares portion.

A portion of the amount due under the LTIP was no longer contingent on the closing of the business combination and was to be settled and paid solely in cash (the "Cash Award"). The Group held a Townhall on 21 September 2022 where it was communicated to the members of the LTIP that cash payments would be made to settle the plan imminently. Awards amounting to £10,484,590 were settled in full in cash in November 2022.

The remaining amount due under the LTIP plan continued to be contingent on the closing of the business combination and was payable exclusively in shares (the "Share Award"). Under the terms of the Business Combination Agreement, all the shares issued upon closing are subject to lock-up provisions restricting the sale of the shares. The lock-up provisions of the LTIP expire as follows:

- 40% of the shares on the first anniversary of the business combination and
- 30% of the shares on each of the second and third anniversary of the business combination.

Once the lock-up provisions have expired LTIP participants are permitted to sell their shares in line with the respective percentage provisions on each anniversary date.

When the closing of the business combination was probable in December 2022, an Employee Trust was formed, and the Group arranged to issue the Employee Trust a Class C share in Alvarium Investments Limited immediately prior to the close of the transaction. The substance of the issuance of the Class C share to the Employee Trust was to partially settle the Share Awards upon the close of the business combination, with the Employee Trust serving as a holding structure for the beneficiaries until expiration of the lock-up period. The C Share shall have the right to receive an amount equal to $21,000,000 in connection with the Alvarium Shareholders Earn-Out Consideration which is the equivalent of the 2.1 million accelerated Earn-Out shares.

Separately, the value of the additional 360,485 shares as agreed as part of the August 2022 renegotiation was equal to the value that was ultimately provided to the LTIP participants through the issuance of the class C Share equating to $3,604,850 bringing the total Share Award to $24,604,850.

The modification to the LTIP plan in September 2022 was deemed beneficial to the LTIP participants due to the following:

- The LTIP participants received fully vested shares rather than the right to future earn-out share payments. This change was favourable to the participants because it removed the share price targets which otherwise trigger issuance of the earn-out shares.
- The employees received approximately 360,485 incremental shares as part of the agreement with Cartesian Growth Corporation. As a result, the LTIP participants received more value than they otherwise would have.
- The LTIP participants received more value in settlement of the LTIP than they otherwise would have under the original terms of the LTIP and Business Combination Agreement.

Given the modification was beneficial to the LTIP participants, the Share Awards have been recognised to include the incremental value provided to the LTIP participants totalling $24,604,850. The full Share Award of £20,413,653 ($24,604,850) was recognised on the 30th December 2022 when the business combination became probable.

The total expense recognised in profit or loss for the year is as follows:

	2022	2021	2020
	£	£	£
Equity-settled share-based payments	**20,413,653**	(1,333)	7,296
Cash-settled share-based payments	**10,484,590**	—	—
	30,889,243	(1,333)	7,296

26. Government grants

The amounts recognised in the Consolidated financial statements for government grants are as follows:

	2022	2021	2020
	£	£	£
Recognised in other operating income:			
Government grants recognised directly in income	**—**	—	759,664

27. Called up share capital

Issued, called up and fully paid

	2022 No.	2022 £	2021 No.	2021 £	2020 No.	2020 £
Ordinary class A shares of £0.01 (2021: £0.01, 2020: £0.01) each	**28,410**	**284**	28,410	284	28,410	284
Ordinary class E shares of £0.01 (2021: £0.01, 2020: £0.01) each	**—**	**—**	—	—	2,145	21
Ordinary class E1 shares of £0.01 (2021: £0.01, 2020: £0.01) each	**—**	**—**	—	—	1	—
Ordinary shares of £0.01 (2021: £0.01, 2020: £0.01) each	**714,908**	**7,149**	714,908	7,149	664,331	6,643
Ordinary class E2 shares of £0.01 (2021: £0.01, 2020: £0.01) each	**—**	**—**	—	—	1	—
	743,318	**7,433**	743,318	7,433	694,888	6,948

Ordinary shareholders are entitled to receive notice of, attend, speak at and vote at general meetings. They are entitled to receive distributions of profits other than those distributable to E and E1 shareholders.

E shareholders are not entitled to receive notice of, attend, speak at and vote at general meetings. They are entitled to receive distributions of profits in relation to specific deals and transactions as defined in the shareholders agreement and articles of association.

E1 shareholders are not entitled to receive notice of, attend, speak at and vote at general meetings. They are entitled to receive distributions of profits in relation to specific deals and transactions as defined in the shareholders agreement and articles of association.

E2 shareholders are not entitled to receive notice of, attend, speak at and vote at general meetings. They are entitled to receive distributions of profits in relation to specific deals and transactions as defined in the shareholders agreement and articles of association.

A shareholders are not entitled to receive notice of, attend, speak at and vote at general meetings. They are entitled to receive distributions of profits other than those distributable to E and E1 shareholders. Such profits shall be shared amongst the holders of the Ordinary shares and Ordinary A shares pair passu and pro rata to their holdings of such Ordinary and Ordinary A shares respectively, as though they were a single class of shares. In the event of a liquidation of the company prior to February 2022, the holders of the Ordinary A shares would be entitled to a priority distribution of £5,559,000.

Issue of Ordinary shares 2021

46,604 Ordinary shares were issued in October 2021 for a total consideration of £9,494,633. The consideration was settled through the conversion of a subordinated shareholder loan to the new shares.

A further 3,973 ordinary shares were issued in April 2021 for a total consideration of £923,365. The consideration was settled through the transfer of a minority shareholding in LXI REIT Advisors Ltd and Alvarium Social Housing Advisors Ltd to the group, two existing subsidiaries of the group.

27. Called up share capital *(continued)*

Issue of Ordinary shares 2020

6,928 Ordinary shares were authorised issued in August 2020 for a total cash consideration of £1,411,440.

Cancellation of share capital 2021

During the prior period, the E shares, E1 share and E2 share were all cancelled and purchased by the company from the holders at par for a consideration of £22.

28. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

Other reserves

Other reserves consist of a merger reserve and a revaluation reserve. The split of these reserves is shown below.

Merger reserve

The merger reserve arose when the group was formed and represents the application of UK statutory merger relief by LJ GP Ltd on the issue of shares in exchange for shares in the other combining entities and the difference between the assets, liabilities and accumulated profit and loss account of LJ Capital, amounts transferred as part of the transaction and the capital structure of LJ GP Ltd. The balance within the reserve was £22,867,313 at 31 December 2022 and 31 December 2021.

Revaluation reserve

The Company historically held investments in two associates – Unicorn Administration Limited and LJ Investment Management Limited - where additional interests were subsequently purchased giving the company control and resulting in consolidation of a subsidiary undertaking. This has resulted in a revaluation reserve. The balance within the reserve was £133,722 at 31 December 2022 and 31 December 2021.

Other reserves

	2022 **£**	2021 £
Merger reserve	**22,867,313**	22,867,313
Revaluation reserve	**133,722**	133,722
	23,001,035	23,001,035

29. Analysis of changes in net debt

	At 1 Jan 2022 £	Cash flows £	Other changes £	Exchange movements £	**At 31 Dec 2022 £**
Cash and cash equivalents	12,961,870	(6,285,272)	—	476,300	**7,152,898**
Debt due within one year	(10,629,483)	319,635	(40,039,238)	(11,020)	**(50,360,106)**
	2,332,387	(5,965,637)	(40,039,238)	465,280	**(43,207,208)**

Impact of assumption of shareholder debt facility

As part of the acquisition of an intangible asset for £40m as disclosed in note 18, the Group assumed the liability for a shareholder debt facility. The carrying value of this is £39,957,461 and is disclosed in other changes to debt due within one year.

Impact of rolled up interest

The other changes to debt due within one year include the release of discount on deferred consideration of £2,319. This is rolled up and included in the closing balances.

This also includes rolled up interest on the Group's bank facility of £79,458.

Obligations under finance leases

The Group's obligations under finance leases disclosed in the above reduced by £127,174 during the period following capital repayments of that amount.

	At 1 Jan 2021 £	Cash flows £	Other changes £	**At 31 Dec 2021 £**
Cash and cash equivalents	8,298,069	4,666,340	(2,539)	**12,961,870**
Debt due within one year	(1,186,222)	(400,557)	(9,042,704)	**(10,629,483)**
Debt due after one year	(9,057,705)	—	9,057,705	**—**
	(1,945,858)	4,265,783	12,462	**2,332,387**

Impact of foreign exchange

The other changes of £2,539 recorded in cash and cash equivalents above relate to foreign exchange variances.

The other changes to debt due within and after one year include foreign exchange gains of £45,592

Impact of rolled up interest

The other changes to debt due within and after one year include the release of discount on deferred consideration of £25,798. This is rolled up and included in the closing balances.

This also includes rolled up interest on the Group's bank facility of £4,793.

Obligations under finance leases

The Group's obligations under finance leases disclosed in the above reduced by £240,336 during the period following capital repayments of that amount.

30. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 **£**	2021 £
Not later than 1 year	**1,918,146**	1,456,570
Later than 1 year and not later than 5 years	**9,126,102**	4,653,430
Later than 5 years	**4,986,545**	3,095,534
	16,030,793	9,205,534

31. Contingencies

Acquisition of Iskander SAS

Following the acquisition in March 2019, a deferred consideration was payable in four further instalments of EUR525,000 due in September 2019, September 2020, September 2021 and March 2022. The share purchase agreement contained an adjustment mechanism whereby if Iskander's assets under management ('AUM') reduced by 10% or more the total consideration is subject to a downward adjustment, to be reflected against the next deferred consideration instalment. Such a reduction is capped at EUR575,000 in in aggregate.

A drop in AUM occurred following completion and as a result the September 2019 instalment was not due, and the September 2020 instalment deferred to September 2021. In the event the AUM recovers, then a subsequent deferred consideration instalment would be increased to compensate for this. Management does not consider it probable that the AUM will recover sufficiently to cause the September 2021 instalment to be adjusted upwards and therefore EUR575,000 of the deferred consideration has been derecognised from the financial statements. Should there be further fluctuations in AUM, the deferred consideration payable is subject to a maximum upwards adjustment of EUR575,000 compared to the figures reported in the financial statements. At the year end GBP:EUR exchange rate this would amount to a potential upwards adjustment of £514,081.

Senior loan facility

The Company has a revolving loan facility Royal Bank of Scotland Natwest with a facility limit of £15.00m. At the year end £10.25m (2021: £10.25m, 2020: £8.75m) has been drawn from the facility. The loan is subject to various financial covenants and is secured over the assets of the Group.

Increase in holdings in subsidiaries

At 31 December 2020 the Group had entered into a commitment to acquire a further 5.7% of Alvarium Social Housing Advisors Ltd for a total cash consideration of £330,435, payable in December 2021.

At 31 December 2020 the Group had also entered into a commitment to acquire a further 11.5% of LXI REIT Advisors Ltd for a total cash consideration of £3,927,160, payable in October and December 2021.

Both of these commitments were fully paid out in 2021 and the balances at 31 December 2021 are therefore £NIL.

31. Contingencies *(continued)*

Potential claims

Home REIT plc ("Home REIT") is a real estate investment trust company listed on the London Stock Exchange. Alvarium Fund Managers (UK) Limited ("AFM UK") is its alternative investment fund manager (or "AIFM") and Alvarium Home REIT Advisors Limited ("AHRA") is its investment adviser. AFM UK is a wholly owned subsidiary of the Company. AHRA was owned by Alvarium RE Limited ("Alvarium RE", another member of the Group) up until 30 December 2022, when it was sold. As such, AHRA was not acquired by Cartesian Growth Corporation ("Cartesian") pursuant to the business combination between the Company, Cartesian and certain Tiedemann entities which completed on 3 January 2023 and formed Alvarium Tiedemann Holdings, Inc. ("AlTi"). Accordingly, AHRA has never been a member of AlTi's group (the "AlTi Group"). Notwithstanding the disposal of AHRA, Alvarium RE retained an option to reacquire AHRA and, consequently, AHRA has been included in the Group's consolidated financial statements for the financial year ending 31 December 2022 in accordance with applicable accounting requirements.

Since November 2022, Home REIT and AHRA have been the subject of a series of allegations in the UK media regarding Home REIT's operations, triggered by a report issued by a short seller. Following the publication of the short seller report, a UK law firm (Harcus Parker Limited) announced that it was seeking current and former shareholders of Home REIT to potentially bring claims in connection with the allegations. Harcus Parker's announcement states that claims will likely be brought against Home REIT itself, its directors, and AFM UK. Notwithstanding the Harcus Parker publication, as at the date of authorising these financial statements, no letter before action has been received by AFM UK (as such is required under the Practice Direction on Pre-action Protocols and Conduct contained in the Civil Procedure Rules prior to a claimant commencing litigation), no litigation has been commenced against Home REIT or AFM UK, and we do not currently have visibility on the likelihood or otherwise of litigation actually being commenced. Further, given the above, it is not possible at this point in time for us to reliably assess the quantum of any claims that may potentially be brought, though such quantum may potentially be material to the Group. If any litigation or other action is commenced against AFM UK, the directors of the Company's current assessment is that any such claims or actions should be defended and would be unlikely to succeed. However, if any claims were commenced, the directors of the Company would anticipate that such claims may involve complex questions of law and fact and we may incur significant legal expenses in defending such litigation. The directors of the Company are also not aware of any regulatory issues connected to the above-mentioned matters that may have an adverse impact on the Group.

AlTi Group maintains insurance policies which are intended to provide coverage for various claims against members of group, subject to the terms and conditions of the relevant policy. Such policies include, among other things, indemnification for legal expenses. AlTi Group also has access to credit facilities to support the business, if required. These arrangements support the Company's directors' assessment of going concern and of its ability to address any potential financial impact arising from the above.

32. Subsequent events

On 3 January 2023, the business combination and public listing with Cartesian Growth Corporation announced on 20 September 2021 became effective. The Group's new debt facility with BMO was used to pay off the existing bank debt facility and subordinated shareholder loans on this date.As mentioned in note 25, shares under the LTIP scheme were issued to the Employee Trust on this date.

Also on 3 January 2023, the Company disposed of a number of its subsidiaries at book value as part of the business combination and public listing disclosed above. This also resulted in a realignment in certain reserves held as of year-end.

As at the date of approval of these Consolidated financial statements 17 April 2023 there have been no other subsequent events to disclose.

33. Related party transactions

During the year the Group entered into the following transactions with related parties:

Related Party	Nature of RPT	Transaction value 2022	Transaction value 2021*	Transaction value 2020	Balance 2022	Balance 2021*
Related Individuals						
Ali Bouzarif	Revenue share	(362,186)	(532,073)	—	25,963	(532,073)
					25,963	**(532,073)**
Amounts owed to group's associates and JVs						
Non-Executive Director of a trading subsidiary	Fees payable	—	—	(4,000)	—	—
Queensgate Investments 1 Sarl	Loan payable	—	—	—	(5,625)	(5,625)
Queensgate Investments II GP LLP	Loan payable	—	—	—	(178,149)	(178,149)
Alvarium Wealth (NZ) Limited	Fees payable	(67,044)	(60,378)	—	—	(34,113)
Alvarium Investments (NZ) Limited	Fees payable	(167,163)	(137,497)	(349,094)	—	(137,497)
Alvarium Capital Partners Limited	Expenses payable	—	218	—	—	(16)
Alvarium Capital Partners Limited	Loan payable	63,385	—	—	—	(63,385)
Alvarium Capital Partners Limited	Fees payable	(117,518)	(562,888)	(15,519)	—	(170,278)
Alvarium Investment Managers (Suisse)	Fees payable	—	(55,623)	23,252	—	—
Alvarium Investment Managers (Suisse)	Expenses receivable	—	—	—	—	—
Cresco Capital Advisors LLP	Fees payable	—	18,000	—	—	(7,200)
Pointwise Partners	Fees payable	(1,919,336)	(1,292,336)	—	(686,897)	(152,742)
Total					**(870,671)**	**(749,005)**

33. Related party transactions *(continued)*

Related Party	Nature of RPT	Transaction value 2022	Transaction value 2021*	Transaction value 2020	Balance 2022	Balance 2021*
Amounts owed by group's associates and JVs						
Alvarium Capital Partners Limited	Fees receivable	—	10,000	—	—	12,187
Alvarium Capital Partners Limited	Expenses receivable	—	—	—	—	13,694
Alvarium Core Partners LLP	Loan receivable	—	—	435,000	—	—
Alvarium Core Partners LLP	Expenses receivable	3,674	3,476	—	8,755	5,081
Alvarium Investment Managers (Suisse)	Expenses receivable	3,522	—	—	8,744	9,115
Alvarium Investments (Aus) Pty Ltd	Loan receivable	114,783	(4,906)	—	582,874	445,342
Alvarium Investments (Aus) Pty Ltd	Expenses receivable	(808)	—	—	240	1,048
Alvarium Investments (NZ) Limited	Loan receivable	(1,165,335)	(20,873)	920,371	—	1,434,572
Alvarium Investments (NZ) Limited	Expenses receivable	100,174	—	—	—	85,565
Alvarium Osesam	Loan receivable	132,802	—	—	132,802	—
Alvarium Osesam	Loan interest	1,135	—	—	1,179	—
Alvarium Osesam	Fees receivable	51,768	39,827	—	124,627	10,359
Alvarium Osesam	Expenses receivable	14,449	—	—	58,610	43,186
Bluestar Advisors	Fees receivable	10,000	10,000	—	12,000	—
Bluestar Advisors	Expenses receivable	5,273	1,065	—	6,529	1,256
Bluestar Diamond Limited	Fees receivable	400,000	56,000	—	—	—
Casteel Capital LLP	Fees receivable	50,400	50,400	—	50,400	5,170
Casteel Capital LLP	Expenses receivable	3,100	2,171	—	686	2,534
CRE Investment 1 SCA 2	Loan receivable	24,359	—	—	24,359	—
CRE Investment 1 SCA 2	Loan interest	1,099	—	—	1,141	—
CRE Sarl	Fees receivable	20,144	21,103	44,340	—	9,933
CRE Sarl	Expenses receivable	—	—	—	6,843	6,498

33. Related party transactions *(continued)*

Related Party	Nature of RPT	Transaction value 2022	Transaction value 2021*	Transaction value 2020	Balance 2022	Balance 2021*
Amounts owed by group's associates and JVs						
Cresco Capital Advisors LLP	Fees receivable	24,000	24,000	24,000	7,200	—
Cresco Capital Group Fund 1 GP	Fees receivable	162,005	—	—	168,216	—
Cresco Capital Urban Yurt Holdings 2 Sarl	Expenses receivable	—	—	—	1,844	1,752
Cresco Immobilien Verwaltungs	Loan receivable	—	26,593	55,431	418,009	396,990
Cresco Immobilien Verwaltungs	Loan interest	32,206	56,394	30,265	148,994	109,744
Cresco Urban Yurt Sarl	Loan receivable	—	(31,192)	—	29,277	27,805
Cresco Urban Yurt Sarl	Loan interest	2,115	2,708	3,342	3,249	1,000
Cresco Urban Yurt SLP	Loan interest	—	2,878	5,704	—	—
Cresco Urban Yurt SLP	Loan receivable	—	(89,944)	—	—	—
Hadley DM Services Limited	Loan receivable	(168,896)	(62,606)	(258,079)	530,000	698,896
Hadley DM Services Limited	Loan interest	(12,958)	32,665	60,385	105,234	118,192
Hadley Property Group Limited	Loan interest	—	—	3,671	—	—
NZ PropCo	Fees receivable	—	100,985	—	—	100,985
Osprey Equity Partners Limited	Loan receivable	129,478	(26,479)	222,224	388,724	259,246
Osprey Equity Partners Limited	Expenses receivable	(4,987)	—	—	2,138	7,125
Pointwise Partners	Fees receivable	320,241	213,063	—	316,971	213,063
Pointwise Partners	Expenses receivable	60,592	43,665	—	249,634	189,041
Pointwise Partners	Loan receivable	749,803	972,157	778,040	2,500,000	1,750,197
Queensgate Investments LLP	Expenses receivable	171	—	—	1,437	1,266
Total					**5,890,716**	**5,771,801**

33. Related party transactions *(continued)*

Related Party	Nature of RPT	Transaction value 2022	Transaction value 2021*	Transaction value 2020	Balance 2022	Balance 2021*
Amounts owed to/(from) other entities						
LJ Maple Duke Holdings Limited	Loan receivable	—	—	—	285,000	285,000
LJ Maple St Johns Wood Limited	Loan receivable	—	—	—	183,306	183,306
LJ Maple Kensington Limited	Loan receivable	—	—	—	23,020	23,020
LJ Maple Belgravia Limited	Cash advances	—	3,430	—	3,430	3,430
LJ Maple Kensington Limited	Cash advances	—	41,699	—	41,699	41,699
LJ Maple Limited	Cash advances	—	42,367	—	119,119	119,119
LJ Maple St Johns Wood Limited	Cash advances	—	75,510	—	75,510	75,510
LJ Maple Abbey Limited	Cash advances	—	85,850	—	85,850	85,850
LJ Maple Chelsea Limited	Cash advances	—	119,010	—	119,010	119,010
LJ Maple Hill Limited	Cash advances	—	136,567	—	136,567	136,567
LJ Maple Tofty Limited	Cash advances	—	231,186	—	231,186	231,186
LJ Maple Nine Elms Limited	Cash advances	—	(108,864)	—	(108,864)	(108,864)
LJ Maple Hamlet Limited	Cash advances	—	(66,937)	—	(66,937)	(66,937)
LJ Maple Circus Limited	Cash advances	—	(25,228)	—	(25,228)	(25,228)
LJ Maple Duke Limited	Cash advances	—	(1,618)	—	(1,618)	(1,618)
LJ T4 GP Limited	Fees receivable	55,000	110,000	—	55,000	—
Stratford Corporate Trustees Ltd	Expenses receivable	54,560	91,742	21,000	—	21,000
Prime Top Limited	Expenses payable	(321,000)	—	—	—	—
Dilmun Cayman Holdings and affiliates	Expenses payable	(220,114)	—	—	—	—
Lepe Partners LLP	Expenses payable	—	342	(6,080)	—	—
Wyndham Capital Management Limited	Fees payable	—	—	(350,249)	—	—
Total					**1,156,050**	**1,122,050**

* The Company identified errors in the December 31, 2021 comparative values previously disclosed in this table for certain of the amounts owed to and transactions with certain of the group's associates and JV's. Such amounts have been corrected in the footnote above. None of the amendments are greater than £175K other than for Pointwise Partners which had a previous transaction value of £0.2M, which has been restated to reflect the corrected value of £1.3M. The amendments to the outstanding balances disclosed for each entity do not change the overall total. This restatement has no impact on the Company's operating results or financial position for the period, the correct amounts having been reflected in those statements in the prior year.

33. Related party transactions *(continued)*

Other transactions

In addition to the transactions disclosed above, during 2020 the Group divested 50% of its interest in Alvarium Investments (Aus) Ltd for AUS$1 to Tailorspace Inc, a shareholder in the Company.

During 2020, the Group acquired a subsidiary from LJ Portugal Ltd for a consideration of EUR578,335. LJ Portugal Ltd is related by virtue of having common shareholders.

Description of relationships

The nature of the relationship between the Group and its related parties can be seen in the subheadings above.

There are certain related parties (such as employees and shareholders) of the Group that are co-partners of the equity method investees and own voting shares. We have performed an assessment and have determined that this does not give the Group control of the investees. The investments are made separately to the terms of employment or ownership of the Group, and the related parties are not bound by any contractual or other agreement to vote in the same way as the Group.

In 2015, Mr A S Davies, Mr C M Hamilton and Mr N Beaton subscribed for shares with a total value of £99,960. The consideration is not due for payment until a sale of the shares occurs or until these individuals leave employment within the Group. The outstanding purchase consideration is interest free. The consideration was discounted at a rate of 3% over an assumed 3 year period. A balance of £99,960 (2021 - £99,960) is outstanding from each of these individuals at the balance sheet date.

34. Controlling party

In the opinion of the directors, the company is not under the control of any single individual or entity.

35. Summary financial information for equity method investees

The following tables summarise the financial information of the Group's significant equity method investment reported to the Group by the management of those entities, adjusted for fair value adjustments at acquisition and differences in accounting policies.

Summary financial information for the year ended 31 December 2022

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium 64 Advisory LLP	Osprey Equity Partners	Casteel Capital	Alvarium Guardian LLP	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	50%	50%	50%	50%	50%	40%
Turnover	**17,085,933**	**3,778,680**	**188,561**	**—**	**738,818**	**600,000**	**3,036,926**	**—**
Cost of sales	(14,392,747)	(2,334,824)	—	—	(529,886)	—	(2,858,569)	—
Gross profit/(loss)	**2,693,186**	**1,443,856**	**188,561**	**—**	**208,932**	**600,000**	**178,357**	**—**
Administrative expenses / Other income	(1,883,429)	(382,131)	(1,233)	(48,570)	(23,020)	(1,545)	(433,400)	(3,100,130)
Operating profit/(loss)	**809,757**	**1,061,725**	**187,328**	**(48,570)**	**185,912**	**598,455**	**(255,043)**	**(3,100,130)**
Taxation on ordinary activities	—	(212,345)	—	—	—	—	—	—
Profit/(loss) for the financial year	**809,757**	**849,380**	**187,328**	**(48,570)**	**185,912**	**598,455**	**(255,043)**	**(3,100,130)**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	CRE Sarl	Hadley Property Group Holdings	Alvarium Osesam	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	50%	50%	20% - 50%
Turnover	**1,205,970**	**1,680,634**	**2,241,340**	**5,719,351**	**9,249,270**	**808,552**	**14,193,965**	**1,735,436**
Cost of sales	(303,947)	(1,788,613)	(1,219,871)	(3,829,713)	(4,395,576)	(134,472)	(5,671,366)	(859,830)
Gross profit/(loss)	**902,023**	**(107,979)**	**1,021,469**	**1,889,638**	**4,853,694**	**674,080**	**8,522,599**	**875,606**
Administrative expenses / Other income	(219,877)	(155,568)	(70,963)	(1,845,182)	(3,313,386)	(1,064,419)	(8,075,302)	(1,293,956)
Operating profit/(loss)	**682,146**	**(263,547)**	**950,506**	**44,456**	**1,540,308**	**(390,339)**	**447,297**	**(418,350)**
Taxation on ordinary activities	—	—	—	(307,597)	(195,503)	—	(814,935)	2,501
Profit/(loss) for the financial year	**682,146**	**(263,547)**	**950,506**	**(263,141)**	**1,344,805**	**(390,339)**	**(367,638)**	**(415,849)**

35. Summary financial information for equity method investees *(continued)*

Summary financial information as at 31 December 2022

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium 64 Advisory LLP	Osprey Equity Partners	Casteel Capital	Alvarium Guardian LLP	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	50%	50%	50%	50%	50%	40%
Non-current assets	44,351	249,045	—	—	2,247	—	4,382	—
Current assets	5,220,653	2,323,270	10,090	296,729	423,434	34,889	1,993,514	178,823
Total assets	**5,265,004**	**2,572,315**	**10,090**	**296,729**	**425,681**	**34,889**	**1,997,896**	**178,823**
Current liabilities	(2,974,309)	(525,049)	(1,200)	(393,182)	(74,482)	(31,424)	(3,233,947)	—
Non-current liabilities	(1,375,000)	—	—	—	—	—	—	—
Total liabilities	**(4,349,309)**	**(525,049)**	**(1,200)**	**(393,182)**	**(74,482)**	**(31,424)**	**(3,233,947)**	**—**
Net assets	**915,695**	**2,047,266**	**8,890**	**(96,453)**	**351,199**	**3,465**	**(1,236,051)**	**178,823**
Capital and reserves								
Called up share capital	—	100,110	2	600	—	2	10	2
Share premium	—	50,055	—	—	—	—	—	—
Members' interests	915,695	—	8,888	—	351,199	—	—	178,821
Profit and loss account	—	1,897,101	—	(97,053)	—	3,463	(1,236,061)	—
Non-controlling interest								
Shareholders funds	**915,695**	**2,047,266**	**8,890**	**(96,453)**	**351,199**	**3,465**	**(1,236,051)**	**178,823**
Expected carrying amount of net investment	**274,709**	**614,180**	**4,445**	**(48,227)**	**175,600**	**1,733**	**(618,026)**	**71,529**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	23,534	—	—	48,227	—	—	618,026	—
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	464,120	—	1,905	—	49,694	—	—	646,115
Carrying amount of goodwill	**—**	**480,099**	**—**	**—**	**—**	**—**	**—**	**—**
Carrying amount of net investment	**762,363**	**614,180**	**6,350**	**—**	**225,294**	**1,733**	**—**	**717,644**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	CRE Sarl	Hadley Property Group Holdings	Alvarium Osesam	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	50%	49.90%	20% - 50%
Non-current assets	—	196,429	—	226,723	236,344	26,638	8,510,011	446,438
Current assets	198,227	577,945	357,100	4,772,950	2,665,016	395,740	6,037,798	3,253,054
Total assets	**198,227**	**774,374**	**357,100**	**4,999,673**	**2,901,360**	**422,378**	**14,547,809**	**3,699,492**
Current liabilities	(134,788)	(1,936,913)	(244,572)	(3,219,060)	(2,772,339)	(795,499)	(4,818,196)	(6,838,929)
Non-current liabilities	—	—	—	—	(40,000)	—	(6,590,719)	—
Total liabilities	**(134,788)**	**(1,936,913)**	**(244,572)**	**(3,219,060)**	**(2,812,339)**	**(795,499)**	**(11,408,915)**	**(6,838,929)**
Net assets	**63,439**	**(1,162,539)**	**112,528**	**1,780,613**	**89,021**	**(373,121)**	**3,138,894**	**(3,139,437)**
Capital and reserves								
Called up share capital	—	21,311	21,000	16,093	100	90	6,391	149,643
Share premium	—	—	—	—	—	—	—	—
Members' interests	63,439	—	—	—	—	—	—	(827,638)
Profit and loss account	—	(1,183,850)	91,528	1,764,520	88,921	(373,211)	3,127,635	(2,461,442)
Non-controlling interest						—	4,868	—
Shareholders funds	**63,439**	**(1,162,539)**	**112,528**	**1,780,613**	**89,021**	**(373,121)**	**3,138,894**	**(3,139,437)**
Expected carrying amount of net investment	**21,146**	**(387,513)**	**37,509**	**593,538**	**31,157**	**(186,561)**	**1,563,879**	**(1,469,310)**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	—	387,513	—	—	—	186,561		1,580,564
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	(11)	—	—	—	—			—
Carrying amount of goodwill	**—**	**—**	**—**	**—**	**—**	**—**	**2,193,067**	**—**
Carrying amount of net investment	**21,135**	**—**	**37,509**	**593,538**	**31,157**	**—**	**1,563,879**	**111,254**

35. Summary financial information for equity method investees *(continued)*

Summary financial information for the year ended 31 December 2021

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium Capital Partners	Osprey Equity Partners	Casteel Capital	NZ PropCo Holdings	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	30%	50%	50%	23%	50%	40%
Turnover	**10,484,310**	**3,973,114**	**794,888**	**150,256**	**1,868,300**	**54,279,088**	**1,652,717**	**—**
Cost of sales	(9,239,869)	(2,677,306)	(535,380)	—	(818,137)	(43,903,091)	(1,578,183)	—
Gross profit/(loss)	**1,244,441**	**1,295,808**	**259,508**	**150,256**	**1,050,163**	**10,375,997**	**74,534**	**—**
Administrative expenses / Other income	(1,174,100)	(540,103)	(116,050)	(323,644)	(73,124)	(34,753,384)	(292,903)	**1,991,460**
Operating profit/(loss)	**70,341**	**755,705**	**143,458**	**(173,388)**	**977,039**	**(24,377,387)**	**(218,369)**	**1,991,460**
Taxation on ordinary activities	—	(138,695)	—	—	—	8,986,845	—	—
Profit/(loss) for the financial year	**70,341**	**617,010**	**143,458**	**(173,388)**	**977,039**	**(15,390,542)**	**(218,369)**	**1,991,460**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	Cresco Capital Urban Yurt Holdings	Hadley Property Group Holdings	Alvarium Investments (NZ)	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	46%	49.90%	20% - 50%
Turnover	**1,091,744**	**1,506,469**	**2,124,445**	**5,451,611**	**5,095,381**	**12,164,600**	**13,815,121**	**2,791,256**
Cost of sales	(329,166)	(1,162,085)	(1,181,879)	(4,508,831)	(2,306,806)	(1,380,900)	(6,169,248)	(830,351)
Gross profit/(loss)	**762,578**	**344,384**	**942,566**	**942,780**	**2,788,575**	**10,783,700**	**7,645,873**	**1,960,905**
Administrative expenses / Other income	(114,898)	(284,598)	(44,488)	(503,255)	(2,798,346)	(6,705,306)	(7,142,166)	(2,523,031)
Operating profit/(loss)	**647,680**	**59,786**	**898,078**	**439,525**	**(9,771)**	**4,078,394**	**503,707**	**(562,126)**
Taxation on ordinary activities	—	—	—	(54,373)	—	(1,366,673)	(1,113,974)	237,838
Profit/(loss) for the financial year	**647,680**	**59,786**	**898,078**	**385,152**	**(9,771)**	**2,711,721**	**(610,267)**	**(324,288)**

35. Summary financial information for equity method investees *(continued)*

Summary financial information as at 31 December 2021

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium Capital Partners	Osprey Equity Partners	Casteel Capital	NZ PropCo Holdings	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	30%	50%	50%	23%	50%	40%
Non-current assets	21,259	515,420	483	491	2,904	9,338,733	5,601	—
Current assets	9,893,323	2,199,523	482,173	271,878	528,167	180,294,696	1,249,988	3,703,197
Total assets	**9,914,582**	**2,714,943**	**482,656**	**272,369**	**531,071**	**189,633,429**	**1,255,589**	**3,703,197**
Current liabilities	(5,446,601)	(1,053,321)	(82,049)	(269,253)	(101,623)	(4,867,040)	(2,290,239)	—
Non-current liabilities	(1,875,000)	—	—	—	—	(224,272,257)	—	—
Total liabilities	**(7,321,601)**	**(1,053,321)**	**(82,049)**	**(269,253)**	**(101,623)**	**(229,139,297)**	**(2,290,239)**	**—**
Net assets	**2,592,981**	**1,661,622**	**400,607**	**3,116**	**429,448**	**(39,505,868)**	**(1,034,650)**	**3,703,197**
Capital and reserves								
Called up share capital	—	100,110	14	600	—	—	—	—
Share premium	—	50,055	999,996	—	—	—	—	—
Members' interests	2,592,981	—	—	—	429,448	—	—	3,703,197
Profit and loss account	—	1,511,457	(599,403)	2,516	—	(39,505,868)	(1,034,650)	—
Non-controlling interest								
Shareholders funds	**2,592,981**	**1,661,622**	**400,607**	**3,116**	**429,448**	**(39,505,868)**	**(1,034,650)**	**3,703,197**
Expected carrying amount of net investment	**777,894**	**498,487**	**120,182**	**1,558**	**214,724**	**(9,086,350)**	**(517,325)**	**1,481,279**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	(23,059)	—	—	—	—	9,086,350	517,325	—
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	850,543	—	—	—	56,211	—	—	41,984
Carrying amount of goodwill	**—**	**505,206**	**—**	**—**	**—**	**—**	**—**	**—**
Carrying amount of net investment	**1,605,378**	**498,487**	**120,182**	**1,558**	**270,935**	**—**	**—**	**1,523,263**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	Cresco Capital Urban Yurt Holdings	Hadley Property Group Holdings	Alvarium Investments (NZ)	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	46%	49.90%	20% - 50
Non-current assets	—	169,543	—	289,070	297,121	178,819,520	8,765,173	24,146,342
Current assets	303,313	706,121	261,633	3,132,832	1,155,802	3,241,332	8,094,719	4,047,343
Total assets	**303,313**	**875,664**	**261,633**	**3,421,902**	**1,452,923**	**182,060,852**	**16,859,892**	**28,193,685**
Current liabilities	(246,206)	(1,719,858)	(62,064)	(1,471,332)	(2,652,235)	(3,216,513)	(4,382,663)	(7,982,267
Non-current liabilities	—	—	—	—	—	(170,209,878)	(9,020,628)	(24,280,110
Total liabilities	**(246,206)**	**(1,719,858)**	**(62,064)**	**(1,471,332)**	**(2,652,235)**	**(173,426,391)**	**(13,403,291)**	**(32,262,377**
Net assets	**57,107**	**(844,194)**	**199,569**	**1,950,570**	**(1,199,312)**	**8,634,461**	**3,456,601**	**(4,068,692**
Capital and reserves								
Called up share capital	—	21,143	21,000	16,093	100	53	6,391	102,098
Share premium	—	—	—	—	—	—	—	—
Members' interests	57,107	—	—	—	—	—	—	(815,518
Profit and loss account	—	(865,337)	178,569	1,934,477	(1,199,412)	5,599,065	3,450,210	(3,355,272
Non-controlling interest						3,035,343		—
Shareholders funds	**57,107**	**(844,194)**	**199,569**	**1,950,570**	**(1,199,312)**	**8,634,461**	**3,456,601**	**(4,068,692**
Expected carrying amount of net investment	**19,036**	**(281,398)**	**66,523**	**650,190**	**(419,759)**	**2,575,594**	**1,724,844**	**(1,414,144**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	—	281,398	—	—	419,759			1,827,368
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	—	—	—	—	—			—
Carrying amount of goodwill	**—**	**—**	**—**	**—**	**—**	**—**	**2,834,940**	**—**
Carrying amount of net investment	**19,036**	**—**	**66,523**	**650,190**	**—**	**2,575,594**	**1,724,844**	**413,224**

35. Summary financial information for equity method investees *(continued)*

Summary financial information for the year ended 31 December 2020

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium Capital Partners	Osprey Equity Partners	Casteel Capital	NZ PropCo Holdings	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	30%	50%	50%	23%	50%	40%
Turnover	**7,145,050**	**3,715,933**	**598,419**	**246,777**	**1,296,358**	**56,697,480**	**—**	**—**
Cost of sales	(5,495,752)	(2,661,482)	(674,137)	—	(745,334)	(47,481,189)	(613,433)	—
Gross profit/(loss)	**1,649,298**	**1,054,451**	**(75,718)**	**246,777**	**551,024**	**9,216,291**	**(613,433)**	**—**
Administrative expenses / Other income	(1,095,542)	(448,474)	(247,390)	(453,889)	(58,819)	(43,206,790)	(202,858)	2,577,767
Operating profit/(loss)	**553,756**	**605,977**	**(323,108)**	**(207,112)**	**492,205**	**(33,990,499)**	**(816,291)**	**2,577,767**
Taxation on ordinary activities	(10,948)	(121,196)	—	(1,096)	—	10,665,485	—	—
Profit/(loss) for the financial year	**542,808**	**484,781**	**(323,108)**	**(208,208)**	**492,205**	**(23,325,014)**	**(816,291)**	**2,577,767**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	Cresco Capital Urban Yurt Holdings	Hadley Property Group Holdings	Alvarium Investments (NZ)	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	46%	49.90%	20% - 50%
Turnover	**1,028,927**	**1,359,511**	**1,935,905**	**4,665,968**	**9,632,109**	**7,064,322**	**13,702,036**	**4,139,503**
Cost of sales	(497,635)	(1,057,493)	(1,039,581)	(3,898,629)	(6,160,080)	(593,579)	(6,557,180)	(2,277,412)
Gross profit/(loss)	**531,292**	**302,018**	**896,324**	**767,339**	**3,472,029**	**6,470,743**	**7,144,856**	**1,862,091**
Administrative expenses / Other income	(111,313)	(564,828)	(63,558)	(722,925)	(2,391,764)	(3,945,098)	(6,914,413)	(2,220,074)
Operating profit/(loss)	**419,979**	**(262,810)**	**832,766**	**44,414**	**1,080,265**	**2,525,645**	**230,443**	**(357,983)**
Taxation on ordinary activities	—	—	—	(77,134)	213,877	(745,731)	(945,264)	(4,280)
Profit/(loss) for the financial year	**419,979**	**(262,810)**	**832,766**	**(32,720)**	**1,294,142**	**1,779,914**	**(714,821)**	**(362,263)**

35. Summary financial information for equity method investees *(continued)*

Summary financial information as at 31 December 2020

	Queensgate Investments	Alvarium Investment Management (Suisse)	Alvarium Capital Partners	Osprey Equity Partners	Casteel Capital	NZ PropCo Holdings	Pointwise Partners	Alvarium Kalrock
Group ownership	30%	30%	30%	50%	50%	23%	50%	40%
Non-current assets	45,948	220,008	38,233	1,148	3,739	15,693,138	4,427	—
Current assets	13,080,933	2,523,939	363,186	541,069	507,738	276,441,912	9,060	2,475,034
Total assets	**13,126,881**	**2,743,947**	**401,419**	**542,217**	**511,477**	**292,135,050**	**13,487**	**2,475,034**
Current liabilities	(6,621,633)	(1,210,347)	(144,268)	(365,713)	(207,610)	(132,249,357)	(829,778)	—
Non-current liabilities	(2,000,000)	—	—	—	—	(181,186,081)	—	—
Total liabilities	**(8,621,633)**	**(1,210,347)**	**(144,268)**	**(365,713)**	**(207,610)**	**(313,435,438)**	**(829,778)**	—
Net assets	**4,505,248**	**1,533,600**	**257,151**	**176,504**	**303,867**	**(21,300,388)**	**(816,291)**	**2,475,034**
Capital and reserves								
Called up share capital	—	102,055	14	600	—	—	—	—
Share premium	—	51,028	999,996	—	—	—	—	—
Members' interests	4,505,248	—	—	—	303,867	—	—	2,475,034
Profit and loss account	—	1,380,517	(742,859)	175,904	—	(21,300,388)	(816,291)	—
Non-controlling interest								
Shareholders funds	**4,505,248**	**1,533,600**	**257,151**	**176,504**	**303,867**	**(21,300,388)**	**(816,291)**	**2,475,034**
Expected carrying amount of net investment	**1,351,574**	**460,080**	**77,145**	**88,252**	**151,934**	**(4,899,089)**	**(408,146)**	**990,014**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	—	—	—	—	—	4,899,089	408,146	—
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	77,158	—	—	—	52,474	—	—	77,206
Carrying amount of goodwill	**—**	**586,058**	**—**	**—**	**—**	**—**	**—**	**—**
Carrying amount of net investment	**1,428,732**	**460,080**	**77,145**	**88,252**	**204,407**	**—**	**—**	**1,067,220**

35. Summary financial information for equity method investees *(continued)*

	Cresco Capital Advisers	Cresco Immobilien Verwaltungs GMBH	Cresco Capital Group Fund 1 GP	Cresco Capital Urban Yurt Holdings	Hadley Property Group Holdings	Alvarium Investments (NZ)	Kuno Investments	Other
Group ownership	33.33%	33.33%	33.33%	33.33%	35%	46%	49.90%	20% - 50
Non-current assets	860	202.620	—	372,423	46,621	251,644,701	10,207,395	3,615,604
Current assets	184,529	459,323	333,035	3,686,144	1,610,855	27,335	7,720,822	4,891,470
Total assets	**185,389**	**661,943**	**333,035**	**4,058,567**	**1,657,476**	**251,672,036**	**17,928,217**	**8,507,074**
Current liabilities	(110,936)	(1,621,770)	(125,433)	(2,385,210)	(2,836,009)	(6,362,727)	(3,701,089)	(6,421,020
Non-current liabilities	—	—	—	—	(11,008)	(242,402,590)	(10,155,392)	(4,065,836
Total liabilities	**(110,936)**	**(1,621,770)**	**(125,433)**	**(2,385,210)**	**(2,847,017)**	**(248,765,317)**	**(13,856,481)**	**(10,486,856**
Net assets	**74,453**	**(959,827)**	**207,602**	**1,673,357**	**(1,189,541)**	**2,906,719**	**4,071,736**	**(1,979,782**
Capital and reserves								
Called up share capital	—	21,143	21,000	16,093	100	53	6,391	109,696
Share premium	—	—	—	—	—	—	—	—
Members' interests	74,453	—	—	—	—	—	—	(1,047,399
Profit and loss account	—	(980,970)	186,602	1,657,264	(1,189,641)	3,385,592	4,065,345	(1,042,079
Non-controlling interest						(478,926)		—
Shareholders funds	**74,453**	**(959,827)**	**207,602**	**1,673,357**	**(1,189,541)**	**2,906,719**	**4,071,736**	**(1,979,782**
Expected carrying amount of net investment	**24,815**	**(319,910)**	**69,193**	**557,730**	**(416,339)**	**1,557,397**	**2,031,796**	**(938,404**
Differences between amounts at which investments are carried and amounts of underlying equity and net assets								
Effect of discontinued recognition of losses as the carrying value of investment is down to 0	—	319,910	—	—	416,339			1,278,487
Returns achieved on a different basis as per LLP/Shareholder agreement than as per % of investment	15,161	—	—	—	—			—
Carrying amount of goodwill	**—**	**—**	**—**	**—**	**—**	**—**	**3,476,813**	**—**
Carrying amount of net investment	**39,976**	**—**	**69,193**	**557,730**	**—**	**1,557,397**	**2,031,796**	**340,083**

For equity method investees which are governed by a limited liability partnership, the Group's share of net assets from limited liability partnerships is determined by the underlying partnership agreements, rather than the Group's percentage holding in these entities.

The Group's policy for discontinuing recognition of losses in investments where the carrying value is nil is disclosed in note 3 of these financial statements.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP)

The Company's financial statements have been prepared in accordance with FRS 102, which differs in certain respects from the requirements of accounting principles generally accepted in the United States ("US GAAP"). The effects of the application of US GAAP to Alvarium Investments Limited ("the Company") results are set out below.

There are other presentational differences between UK and US GAAP which do not impact net income or shareholders' equity, and thus are not included in the reconciliation below.

The impact of the conversion to US GAAP on net income in the periods ending 31 December 2022, 2021 and 2020 is as follows:

	2022 **£**	2021 £	2020 £
Profit/(loss) for the financial year as reported under UK GAAP	**(362,186)**	1,947,874	(3,377,191)
Reversal of amortisation of goodwill *(d)*	**3,330,261**	3,429,870	3,488,827
Amortisation of separately recognised intangible assets arising on business combinations *(a)*	**(81,511)**	(81,761)	(82,850)
Additional amortisation of intangible asset grossed up for deferred tax under US GAAP (*n*)	**(1,002,055)**	—	—
Reclassification of asset acquisition as business combination *(g)*	**1,274,896**	1,274,896	1,274,896
Reversal of equity method investment amortisation *(h)*	**714,779**	710,194	715,400
Amortisation of additional intangible assets within equity method investments *(i)*	**(438,449)**	(485,647)	(660,093)
Release of deferred tax on equity method amortisation above *(i)*	**82,968**	91,967	125,104
Recognition of excess losses against loans provided to certain equity method investees *(k)*	**(41,756)**	(126,797)	(183,224)
Revenue recognition adjustments *(m)*	**610,827**	(609,183)	161,990
Reversal of equity settled share-based payment *(t)*	**20,413,653**	—	—
Fair value adjustment to deferred consideration *(c)*	**—**	—	(63,001)
Impact of GAAP differences on results of equity method investments *(l)*	**(221,635)**	221,635	(4,497,520)
Impact of US GAAP lease accounting (*r*)	**61,327**	—	—
Deferred tax (expense)/benefit *(p)*	**246,761**	(3,870,387)	501,961
Net income under US GAAP	**(21,565,142)**	2,502,661	(2,595,701)
Net income attributable to non-controlling interest under US GAAP	**(9,415)**	(590,120)	(1,246,901)
Net income attributable to shareholders' of the parent company under US GAAP	**(21,574,557)**	1,912,541	(3,842,602)

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) ***(continued)***

The impact of the conversion to US GAAP on shareholders funds as at 31 December 2022 and 2021 is as follows:

	2022 **£**	2021 £
Shareholders funds as at 31 December 2022 and 2021 as reported under UK GAAP	**31,898,784**	56,305,169
Reversal of amortisation of goodwill (d)	**22,405,233**	19,074,973
Impact on goodwill of additional deferred tax liabilities recognised on acquisition *(a)*	**5,284,823**	5,284,823
Impact on intangible assets of additional deferred tax liabilities recognised on asset acquisition (*o*)	**12,827,094**	—
Amortisation of separately recognised intangible assets arising on business combinations *(a)*	**(707,929)**	(626,418)
Reclassification of asset acquisition as business combination (*g*)	**4,097,529**	3,824,688
Acquisition costs and fair value adjustments to deferred consideration previously capitalised *(b) & (c)*	**(1,695,685)**	(1,695,685)
Fair value adjustments on step acquisitions *(f)*	**11,471,931**	11,471,931
Fair value adjustments on non-controlling interests *(e)*	**10,933,918**	10,933,918
Revenue recognition adjustments *(m)*	**(352,747)**	(963,574)
Reversal of equity method investment amortisation *(h)*	**4,743,684**	4,028,905
Accumulated amortisation of additional intangible assets within equity method investments *(i)*	**(5,793,888)**	(5,355,440)
Release of deferred tax on equity method amortisation above *(i)*	**1,099,658**	1,016,690
Additional impairment of investment in joint venture *(j)*	**(254,152)**	(254,152)
Recognition of excess losses against loans provided to certain equity method investees *(k)*	**(1,696,511)**	(1,611,431)
Impact of GAAP differences on results of equity method investments *(l)*	**—**	221,635
Impact of US GAAP lease accounting (*r*)	**61,327**	—
Deferred taxes *(p)*	**(19,351,773)**	(6,768,943)
Cumulative translation adjustments on all of the above	**847,378**	323,116
Shareholders funds as at 31 December 2022 and 2021 under US GAAP	**75,818,674**	95,210,205
Non-controlling interest	**(4,417)**	(13,475)
Total equity attributable to shareholders' of the parent company under US GAAP	**75,814,257**	95,196,730

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) ***(continued)***

The impact of the conversion to US GAAP on the Company's statement of cashflows for the years ended 31 December 2022, 2021 and 2020 is as follows:

	2022 £	2021 £	2020 £
Operating activities			
Net cash from operating activities per UK GAAP	**(3,867,849)**	14,451,786	3,330,423
Reclassification of interest received from investing activities	**134,459**	43,210	59,402
Reclassification of interest paid from financing activities	**(5,881,242)**	(912,769)	(628,992)
Net cash (used in)/from operating activities per US GAAP	**(9,614,632)**	**13,582,227**	**2,760,833**
Investing activities			
Net cash used in investing activities per UK GAAP	**3,590,993**	(9,746,698)	(2,502,279)
Reclassification of interest received to operating activities	**(134,459)**	(43,210)	(59,402)
Reclassification of transaction between equity holders	**15,615**	6,326,146	—
Net cash from/(used in) investing activities per US GAAP	**3,472,149**	**(3,463,762)**	**(2,561,681)**
Financing activities			
Net cash from financing activities per UK GAAP	**(6,008,416)**	(38,748)	422,543
Reclassification of interest paid to operating activities	**5,881,242**	912,769	628,992
Reclassification of transaction between equity holders	**(15,615)**	(6,326,146)	—
Net cash from financing activities per US GAAP	**(142,789)**	**(5,452,125)**	**1,051,535**
Net change in cash from UK to US GAAP	**—**	—	—

In addition, the Company had non-cash financing activity of £40.0m relating to an asset acquisition in exchange for the assumption of a shareholder loan for the period ended 31 December 2022.

In the year ended 31 December 2021, the Company had non-cash financing activity of £10.3m relating to the issue of new share capital in exchange for the conversion of a shareholder loan and further shares in two subsidiary companies. The Group also received non-cash consideration of £1,607,301 in the form of a convertible loan note as disclosed in note 15.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) ***(continued)***

Business combinations

(a) Intangible assets other than goodwill

Under FRS102 for acquisitions made after 1 January 2019, intangible assets other than goodwill are only required to be recognised to the extent that they are both separable and arise from contractual rights.

Under US GAAP intangible assets that are either separable or arise from contractual rights are required to be recognised. This leads to the recognition of additional intangible assets under US GAAP than under FRS102 for acquisitions made by the Company after 1 January 2019.

Due to the recognition of additional deferred tax liabilities under US GAAP compared to UK GAAP, the amount of goodwill recognized in the previous business combination accounting has also increased.

(b) Expense acquisition costs

Under FRS102, acquisition costs incurred by the acquirer are capitalised as part of the purchase consideration for the acquisition.

Under US GAAP, these are required to be charged to acquisition costs in the income statement.

(c) Fair value adjustments to deferred and contingent consideration

Under FRS102, any fair value adjustments to deferred consideration outside the measurement period can be adjusted against goodwill.

Under US GAAP, any fair value adjustments outside the measurement period are adjusted through the P&L.

(d) Goodwill amortisation

Under FRS 102, goodwill is presumed to have a finite useful economic life and is recorded at cost less accumulated amortisation and impairment. Accordingly, the Company amortised goodwill on a straight-line basis over an estimated useful life of 10 years.

US GAAP prohibits the amortisation of goodwill and instead requires that goodwill be tested at least annually for impairment or more frequently if impairment indicators exist. Amortisation expense recognised under FRS 102 was reversed under US GAAP.

(e) Non-controlling interest

Under FRS102, no goodwill is recognised for the non-controlling interest of an acquired company.

Under US GAAP, goodwill is recognised on the entire Company acquired, including the amount pertaining to the non-controlling interest. This has led to conversion adjustments in respect of two acquisitions made in 2019 by the Company.

(f) Step acquisitions

Under FRS102 where control of a subsidiary is achieved in stages, no fair value adjustments are made to any existing holdings in the subsidiary.

Under US GAAP where control of a subsidiary is achieved in stages, any existing holdings in the subsidiary are fair valued with any resulting gain or loss recorded in the income statement.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) ***(continued)***

Additionally, the restatement in relation to the historic accounting acquirer - detailed in the sole purpose 2020 financial statements filed with the SEC - has led to three historic acquisitions being treated as step acquisitions. This has led to further fair value adjustments under US GAAP.

(g) Reclassification of asset acquisition as business combination

In February 2019 the Company acquired certain assets from LEPE Partners LLP, a merchant banking business. Under UK GAAP this did not meet the definition of a business combination. One customer related intangible asset of £12,748,964 was recognised and is being amortised over 10 years. Under US GAAP, following the application of the screening test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single asset or a group of similar assets, it was determined that this met the definition of a business combination.

This is the impact of the reversal of the amortisation recorded under UK GAAP, as Goodwill, which is not amortisable, would have been recognised for US GAAP.

Investments in joint ventures and associates

(h) Implied goodwill amortisation

Under FRS102 any implied goodwill arising on the acquisition of an interest in a joint venture or associate is amortised over a period of 10 years.

Under US GAAP no such amortisation charge is booked. This has led to the reversal of any accumulated amortisation on implied goodwill recorded by the Company under FRS102.

(i) Separate intangible assets arising on acquisition of an equity method investment

Under US GAAP where implied goodwill on an acquisition arises, this is required to be assessed for separate intangible assets. This has given rise to separate intangible assets being identified in respect of two of the Company's equity method investments. These intangible assets have then been amortised over their estimated useful economic lives through the Company's share of profits from joint ventures and associates. The deferred tax impact of the recognition of such intangible assets has also been recognised.

Such intangible assets are not required to be recognised and amortised under UK GAAP.

(j) Additional impairment of equity method investments

Given the reversal of the implied goodwill amortisation, under US GAAP the goodwill is required to be assessed for impairment at each reporting date. As a result of this, an additional impairment has been recorded compared to that reported under UK GAAP.

(k) Treatment of losses in excess of investment in equity method investments

Under UK GAAP, when the Group's share of losses of an associate or joint venture investment equals or exceeds the carrying amount of its investment, the Group stops recognising its share of further losses. The Group recognises its share of any subsequent profits only after its share of profits equals its share of losses not recognised.

Under US GAAP excess losses are offset against the Group's other interests in the investee, including loans advanced.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) *(continued)*

(l) Impact of GAAP differences on results of equity method investments

In 2019 the Group entered into an associate arrangement in which it obtained a 23% ownership interest in NZ PropCo Holdings Limited. Subsequently, NZ PropCo Holdings Limited acquired a portfolio of properties which constitute a business combination. The initial business combination accounting differs between UK and US GAAP, specifically related to the difference between the fair value of assets acquired and the consideration paid, which resulted in a bargain purchase gain.

Under FRS102 bargain purchase gains are not recognised through income when a business combination occurs. These are deferred until the associated underlying assets are sold. This results in the entity being in a loss and net liability position for both 2019 and 2020. In an excess loss position, there is no value to recognise on the statement of financial position and the Group would only recognise a share of the entity profits when its investment moves into a profitable position.

Under US GAAP, assets are measured at fair value as of the acquisition date. This has led to the inclusion of a bargain purchase gain in 2019 which results in an adjustment from UK GAAP resulting in a share of profit being recognised. In 2020 the entity incurred losses in excess of the profit recognised in 2019. Under the equity method, losses are only recognised to the extent they do not reduce the carrying balance of the investment below zero. This has therefore resulted in a reversal of the gains from 2019.

In 2021 an equity method investee had amortised goodwill on its own balance sheet under UK GAAP. Under US GAAP goodwill is not amortised and this amortisation was therefore being reversed. In 2022 this equity method investee was disposed of and, as a result, the previous year’s GAAP difference has been unwound.

(m) Revenue Recognition

Upon the adoption of ASC 606, various adjustments to revenue impacted current and prior period FRS102 revenue recognition, primarily due to when performance obligations were considered satisfied under FRS102 compared to US GAAP, under ASC 606.

The Company’s full accounting policy for revenue recognition under FRS102 can be found on in the accounting policies disclosed to note 3 in these financial statements.

The Company’s full accounting policy for revenue recognition under US GAAP is detailed below:

Revenue recognition differs under ASC 606, which applies a specific 5 step model, which results in certain adjustments when compared to revenue recognized under FRS 102. The five step model applies under ASC 606 is as follows.

1. Identification of contract with customer

2. Identification of performance obligation

3. Determination of transaction price

4. Allocation of transaction to performance obligation

5. Recognition of revenue when performance obligations are met.

For the purposes of this reconciliation, the Company considered the adoption date of ASC 606 to be 1/1/2018.

The difference in policy resulted in differences in the following revenue recognition differences:

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) *(continued)*

Corporate finance engagements

- Within the Merchant Banking division, it was noted that under US GAAP, retainer fees should be recognized in line with completion of the related performance obligation. Under FRS 102, such fees were recognized when received. This resulted in timing adjustments which increased revenue by £24,741 in 2020, decreased revenue by £733,933 in 2021 and increased revenue by £610,827 in 2022.
- In the Co-investment division, an advisory fee that was recognised fully in 2018 under UK GAAP was noted as needing to be recognised over the life of the contract (2019 to 2021) commensurate with the satisfaction of the performance obligation under US GAAP. Recognising this revenue over time in line with the performance obligation has resulted in an increase of revenue of £137,250 in 2020, an increase in revenue of £137,250 in 2021 and no impact in 2022, as revenue has been deferred to match the Group's satisfaction of the underlying performance obligation.

UK Investment advisory revenue, Overseas Investment advisory revenue, Trust and fiduciary revenue, Private and family office revenue

The five step model was applied to the variable consideration revenue recognised in the Family Office Services and Investment Advisory divisions. US GAAP requires recognition of variable consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved subsequently. Under FRS 102, such revenue was recognised based on the best estimate at the time it was recorded. From the analysis performed, the Group noted no significant differences requiring adjustment.

(n) Additional amortisation of intangible asset grossed up for deferred tax under US GAAP.

Under UK GAAP, deferred tax is not recognised in relation to timing differences arising from assets or liabilities acquired in a transaction which is not accounted for as a business combination.

Under US GAAP, where such assets or liabilities are acquired deferred tax is accounted for using the simultaneous equation method as set out in ASC 740.

In relation to an asset acquisition made during 2022, this has resulted in an additional deferred tax liability of £12,827,094 being recognised under US GAAP with a corresponding increase also recorded in intangible assets. The additional amortisation arising on this grossed up intangible asset is £1,002,055.

(o) Impact on intangible assets of additional deferred tax liabilities recognised on asset acquisition.

Under UK GAAP, deferred tax is not recognised in relation to timing differences arising from assets or liabilities acquired in a transaction which is not accounted for as a business combination.

Under US GAAP, where such assets or liabilities are acquired deferred tax is accounted for using the simultaneous equation method as set out in ASC 740.

In relation to an asset acquisition made during 2022, this has resulted in an additional deferred tax liability of £12,827,094 being recognised under US GAAP with a corresponding increase also recorded in intangible assets.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) *(continued)*

(p) Income taxes

A reconciliation of the income tax expense/(credit) under UK GAAP to US GAAP is given below.

	2022 £	2021 £	2020 £
Income tax expense/(credit) under UK GAAP	**(4,770,378)**	(536,461)	(315,163)
Recognition of deferred taxes in respect of non-tax adjustments, other than the effect below (1)	**537,342**	(263,270)	(31,320)
Recognition of French deferred tax asset in respect of losses due to recognition of deferred tax liabilities above (2)	**—**	(29,574)	(95,454)
Impact of change in UK tax rate on deferred tax assets and liabilities recognised under US GAAP (3)	**—**	1,745,400	585,000
Deferred tax assets no longer supported by deferred taxes from non-tax adjustments (4)	**—**	—	1,457,644
Total deferred taxes in respect of non-tax adjustments	**537,342**	1,452,556	1,915,870
Impact of a transaction in the subsequent events window on UK deferred tax assets (5)	**—**	2,417,831	(2,417,831)
Recognition of deferred taxes on asset arising in asset acquisition (6)	**(784,104)**	—	—
Total adjustment to deferred tax expense/(benefit)	**(246,762)**	3,870,387	(501,961)
Income tax expense/(credit) US GAAP	**(5,017,140)**	**3,333,926**	**(817,124)**

A reconciliation of the deferred tax asset/(liability) under UK GAAP to US GAAP is given below.

	2022 £	2021 £
Deferred tax asset/(liability) under UK GAAP	**7,353,265**	2,146,091
Recognition of deferred taxes on asset arising in asset acquisition (6)	**(12,042,990)**	—
Recognition of deferred taxes in respect of non-tax adjustments (1), (2) and (3)	**(7,308,783)**	(6,768,943)
Total adjustment to deferred tax asset/(liability)	**(19,351,773)**	(6,768,943)
Deferred tax asset/(liability) under US GAAP	**(11,998,508)**	(4,622,852)

(1) Deferred taxes in respect of non-tax adjustments

This line represents the tax-effect of non-tax adjustments excluding the effects of valuation allowance adjustments and tax rate changes described below.

(2) Recognition of French deferred tax asset in respect of losses due to recognition of deferred tax liabilities

The recognition of the deferred tax liabilities for intangible assets under US GAAP means that deferred tax assets that were not recognized under UK GAAP meet the recognition threshold under US GAAP. Additional deferred assets of £162,174 and £156,780 in France were therefore recognised in 2021 and 2022 respectively. These have been offset against by the additional deferred liabilities on business combinations under US GAAP and therefore the net impact under US GAAP is Nil.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) ***(continued)***

(3) Impact of change in UK corporate tax rate on deferred tax assets and liabilities recognised in (1) above

In respect of UK based acquirees, the deferred tax liabilities and assets recognised in (1) above were calculated based on the enacted future tax rates expected to be prevailing in the period of the reversal of the temporary difference, as was legislated in the UK at the time. In early 2020 a legislated reduction in UK corporation tax from 19% to 17% scheduled to come into effect from 1 April 2020 was withdrawn, and it was enacted that the tax rate would remain at 19%.

In June 2021 it was enacted that the UK corporation tax rate would increase to 25% from 1 April 2023.

This line represents the revaluation of those deferred tax assets and liabilities.

(4) Deferred tax assets no longer supported by deferred taxes from non-tax adjustments

As a result of the ability to consider additional sources of income in the assessment of the realizability of deferred tax assets under US GAAP, the tax effect of non-tax adjustments are no longer offset with an adjustment to the valuation allowance.

(5) Impact of a transaction in the subsequent events window on UK deferred tax assets

In January 2021 the group increased its shareholding in a UK subsidiary from 59% to 83% through a transaction with noncontrolling interests. This resulted in that subsidiary being able to utilise the group’s UK tax losses and timing differences.

Under UK GAAP, transactions with noncontrolling interests that take place in the subsequent events window are not considered in the assessment of the realizability of deferred tax assets. Under US GAAP, this is considered to be an adjusting subsequent event and therefore the transaction is brought into consideration in assessing the realizability of the group’s UK deferred tax assets.

If this source of income had been considered in assessing the realizability of deferred tax assets, an additional deferred tax asset of £2,417,831 would have been recognised under UK GAAP in 2020. The impact of this GAAP difference fully reverses during 2021.

(6) Recognition of deferred taxes on asset arising in asset acquisition

In July 2022 the group acquired a company which owned one contract based intangible asset. Under UK and US GAAP this was not considered to meet the definition of a business and hence it has been accounted for as an asset acquisition under both standards.

Under UK GAAP, no deferred tax is accounted for on such transactions and any timing differences are considered to be permanent in nature.

Under US GAAP, deferred tax is accounted for on such transactions using the simultaneous equation method of accounting. As a result under US GAAP additional deferred tax liabilities of £12,827,094 compared to those recognised under UK GAAP.

36. Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP) *(continued)*

(q) Transactions between equity holders

During the year the Group had a transaction between equity holders which is included in the 'Cash flows from investing activities' section of the statement of cash flows under FRS 102. Under US GAAP, transactions with shareholders in their capacity as shareholders are included in the "Cash flows from financing activities" section.

This has therefore led to a reclassification in the US GAAP statement of cash flows presented in this note.

(r) Leases

Under UK GAAP, rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. These operating leases are kept off-balance sheet.

Under U.S. GAAP the Group has applied ASC 842 which includes operating leases on the balance sheet through a gross up with the recognition of right-of-use assets and associated lease liabilities. However, upon adoption of ASC 842, there are no net differences between US GAAP and U.K. GAAP with respect to net income, the Statement of Changes in Equity, or the Statement of Cash Flows.

Additionally, the application of ASC 842 does not have a significant impact on the Group's Statement of Cash Flows or Income Statement for the year ended 31 December 2022. The gross up on the balance sheet will be reflected in recognition of right-of-use assets of £9,207,435, lease incentives of £2,610,363, deferred rent of £138,833 and lease liabilities of £12,715,865.

(s) Sale of Alvarium Home Reit Advisors Ltd ("AHRA") on 30 December 2022

Under UK GAAP the sale of shares in AHRA does not qualify as a disposal for accounting purposes and ARE continues to fully consolidate AHRA and does not present the noncontrolling interest presented by the shares of AHRA sold to the buyer. Similarly, under US GAAP, the sale of the AHRA shares to the buyer is accounted for as a change in ownership that does not result in a change of control. Under ASC 810-10-45-23, the fair value of consideration received is recognized directly in equity and attributed to the controlling interest. The Group recognizes noncontrolling interest equal to the carrying value of AHRA. Under ASC 505-10-45-2, receivables from equity holders should not be classified as an asset unless there is substantial evidence of ability and intent to pay within a reasonably short period of time. As the loan receivable from the buyer has a maturity date extending one year from the date of issuance, and includes provisions for further extending the life of the loan receivable, it is not recorded as an asset, but is instead recorded against equity. The combined impact of these adjustments offset in equity and result in no changes to total equity attributable to shareholders as at 31 December 2022 or net income under US GAAP for the year to 31 December 2022.

(t) Reversal of equity settled share-based payment

Under FRS 102, equity settled share-based payments are recognised when it becomes probable that their performance conditions will be met. Under UK GAAP, the full share award of £20,413,653 was recognised on 30th December 2022 when the business combination with Cartesian Growth Corporation became more than 50% probable.

Under ASC 718, equity settled share-based payments are recognized over the requisite service period of a share award and are dependent on the service, performance, and market conditions associated with the award. Given the Share Awards contain a performance condition contingent on of the completion of the business combination, no share award should be recognised under US GAAP until the business combination occurred on January 3, 2023. The share award of £20,413,653 has thereby been reversed.

Exhibit 99.7

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma condensed combined balance sheet as of December 31, 2022 gives effect to the Business Combination as if it was completed on December 31, 2022. The unaudited pro forma combined statement of operations for the year ended December 31, 2022 give pro forma effect to the Business Combination as if it were completed on January 1, 2022. The unaudited pro forma combined balance sheet does not purport to represent, and is not necessarily indicative of, what the actual financial condition of the combined company would have been had the Business Combination taken place on December 31, 2022, nor is it indicative of the financial condition of the combined company as of any future date. The unaudited pro forma combined statement of operations does not purport to represent, and is not necessarily indicative of, what the actual results of operations of the combined company would have been had the Business Combination taken place on January 1, 2022. The unaudited pro forma combined financial information has been prepared, in accordance with Article 11 of Regulation S-X, and is for informational purposes only. It is subject to several uncertainties and assumptions as described in the accompanying notes. The combined financial information presents the pro forma effects of the following:

- the sale and issuance of 16,936,715 shares of Class A Common Stock at $9.80 per share with a par value of $0.0001 from the Private Placements, inclusive of 100,000 additional shares of Class A Common Stock issued to the Alvarium PIPE Investors pursuant to the Side Letter;
- the conversion of the Class D-1 equity interest into an employment contract with the TIG Entities subsequent to the Business Combination;
- the settlement of the $7.8 million deferred underwriting commissions incurred in connection with Cartesian's IPO;
- the extinguishment of historical long-term debt and the issuance of new credit facilities in connection with the Business Combination;
- the Business Combination described further in Note 1 to the Unaudited Pro Forma Condensed Combined Financial Information (the "Business Combination Adjustments" and collectively with the Non-Business Combination Adjustments, the "Pro Forma Adjustments").

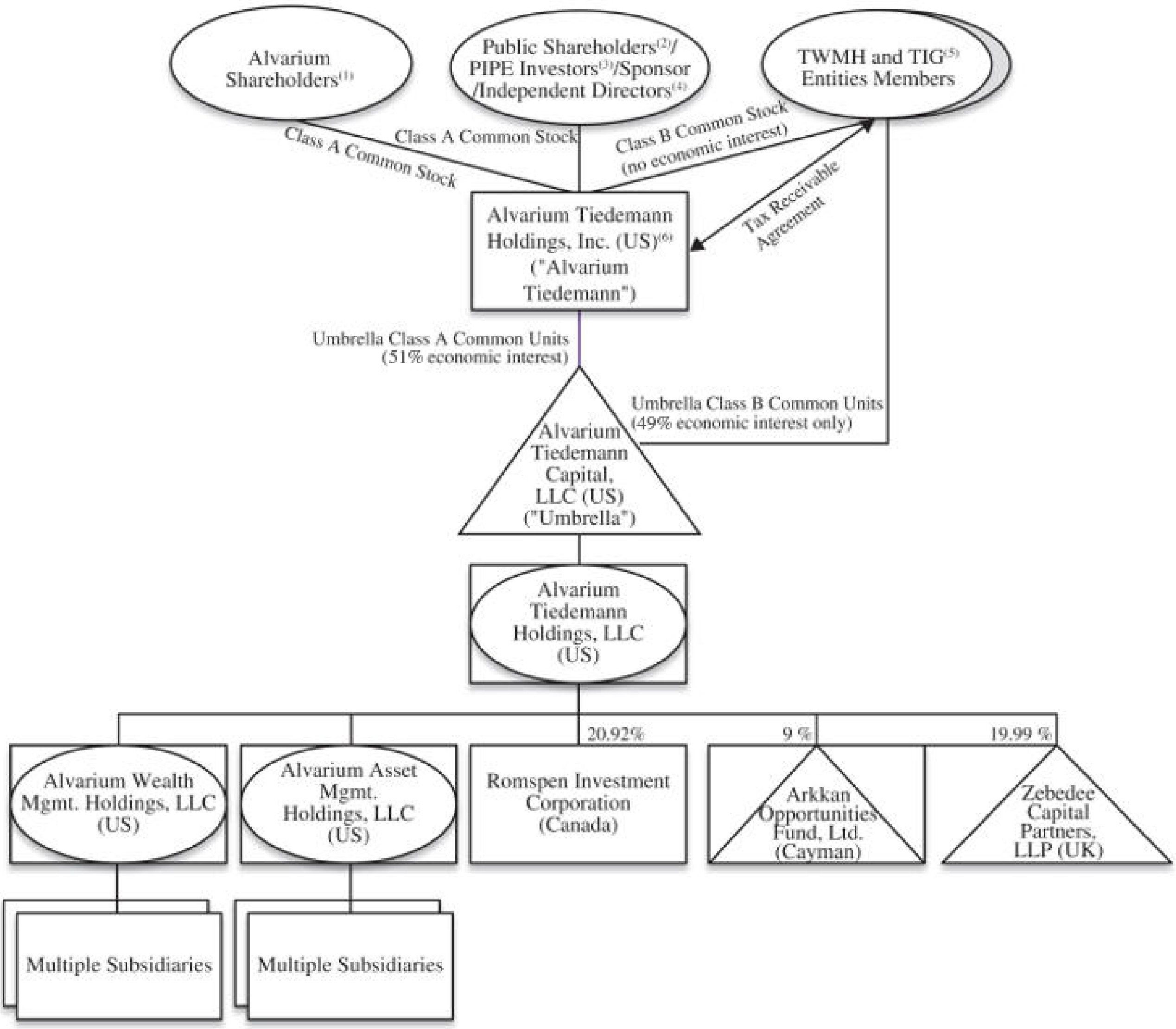
In addition, the Target Companies signed a credit agreement with lenders regarding the terms of a new credit facility, the proceeds of which were used to repay existing indebtedness of the Target Companies and to fund future business growth, including acquisitions.

Cartesian was formed on December 18, 2020. As a special purpose acquisition company ("SPAC"), the Company's purpose entails efforts to acquire one or more businesses through a merger, capital stock exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities. Effective September 19, 2021, Cartesian, TWMH, the TIG Entities, and Alvarium entered into an agreement pursuant to which Cartesian intends to use cash and issue shares in exchange for the equity and/or assets of the Target Companies. On December 30, 2022, Cartesian redomiciled and became Alvarium Tiedemann Holdings, Inc. Alvarium Tiedemann Holdings, Inc. is sometimes referred to in this section as "Alvarium Tiedemann".

The following describes the three operating entities acquired in the Business Combination:

- TWMH is a premier, full-service wealth management firm focused on providing financial advisory and related family office services to high net worth individuals, families, endowments, and foundations. In addition to a wide range of investment capabilities, TWMH offers a full suite of complementary and customized family office services for families seeking comprehensive oversight of their financial affairs. The organic growth has been complemented by selective hiring and by two successfully completed acquisitions, which have expanded not only the assets under management, but also TWMH's professional ranks, geographic footprint, and service capabilities. In addition, TWMH offers extensive Impact Investing advisory services and is a signatory of the Principles for Responsible Investing.
- The TIG Entities are an alternative investment management firm that manages approximately $3.0 billion of AUM within its internal strategies and with strategic investments with External Strategic Managers that have approximately $5.3 billion of AUM in aggregate as of December 31, 2022. The TIG Entities are focused on partnering with global alternative investment fund managers in order to unlock and achieve growth from both an asset and operational perspective. The TIG Entities have a strong track record of identifying managers that focus on sourcing uncorrelated investment opportunities in both public and private markets, utilizing the TIG Entities' long-standing operating platform to assist managers with growth. TIG Arbitrage and the TIG Entities' External Strategic Managers focus on capital preservation and uncorrelated returns, with alpha driven investment strategies that align with the needs of a diverse global investor base. As a growth-oriented partner, the TIG Entities work collaboratively with fund managers on marketing and business development.
- Alvarium is a global multi-family office and investment boutique that provides tailored solutions for families, foundations, and institutions. Alvarium has four principal business units: Investment group generally provides investment advisory services to high net worth clients globally, defined as investible assets between $30 million and more than $500 million. Alvarium specializes in being the trusted adviser to high net worth families and individuals, trusts, endowments, and foundations with complex needs, providing a completely tailored and independent approach. With the perspective of a global organization combined with local resources, Alvarium provides institutional quality advice, investment, and risk management services, combining deep expertise in alternative asset classes and co-investment opportunities to support high net worth client's needs, wherever they reside. Alvarium aims to ensure hard earned legacies become long-lasting legacies, with aligned partners and shareholders investing side-by-side with clients.

The diagram below depicts a simplified version of the Company's organizational structure as of January 3, 2023, immediately following the completion of the Business Combination (the "Closing").



(1) As of the Closing, the Alvarium Shareholders hold approximately 27% of the voting power and economic interests in the Company, taking into account the indirect economic interests of any Class B Common Units held by the TWMH Members and the TIG Entities Members.

(2) As of the Closing, Cartesian's Public Shareholders hold less than one percent of the voting power of and economic interests in the Company, taking into account any Class B Common Units held by the TWMH Members and the TIG Entities Members.

(3) As of the Closing, the PIPE Investors hold approximately 17% of the voting power of and economic interests in the Company, taking into account any Class B Common Units held by the TWMH Members and the TIG Entities Members.

(4) As of the Closing, the Sponsor and Independent Directors hold approximately 6% of the voting power of and economic interests in the Company, taking into account any Class B Common Units held by the TWMH Members and the TIG Entities Members.

(5) As of the Closing, the TWMH Members and the TIG Entities Members hold approximately 50% of the voting power and economic interests in the Company, taking into account the indirect economic interests of any Class B Common Units held by the TWMH Members and the TIG Entities Members.

(6) Cartesian Growth Corporation was renamed Alvarium Tiedemann Holdings, Inc. following the Domestication and the Business Combination.

Notwithstanding the legal form of the Business Combination pursuant to the Business Combination Agreement, the Business Combination was accounted for in accordance with ASC Topic 805, Business Combination ("ASC 805"), using the acquisition method. For accounting purposes, the acquirer is the entity that has obtained control of another entity and, thus, consummated a business combination. The determination of whether control has been obtained begins with the evaluation of whether control should be evaluated based on the variable interest or voting interest model pursuant to ASC Topic 810, Consolidation ("ASC 810"). Alvarium Tiedemann has been determined to be the accounting acquirer based on evaluation of the following factors:

- Alvarium Tiedemann will hold 51%, while non-controlling shareholders will hold 49%.
- Umbrella, which will hold 100% of the equity of TWMH, the TIG Entities and Alvarium indirectly through its 100% interest in the equity of Alvarium Tiedemann Holdings, LLC, is a variable interest entity ("VIE"). Alvarium Tiedemann will be the sole managing member and primary beneficiary who has full and complete charge of all affairs of Umbrella, and the Class A units of Alvarium Tiedemann do not have substantive participating or kick out rights; and
- Prior to the close of the Business Combination, no single party had a controlling financial interest in each of the entities involved in the Business Combination. Therefore, the Business Combination is not considered a common control transaction.

The factors discussed above support the conclusion that Alvarium Tiedemann will acquire a controlling financial interest in Umbrella and will be the accounting acquirer. Alvarium Tiedemann is the primary beneficiary of Umbrella, which is a VIE, since it has the power to direct the activities of Umbrella that most significantly impact Umbrella's economic performance through its role as the sole managing member of Umbrella. Additionally, Alvarium Tiedemann's variable interests in Umbrella include ownership of Umbrella, which results in the right (and obligation) to receive benefits (and absorb losses) of Umbrella that could potentially be significant to Umbrella. Therefore, the Business Combination will be accounted for using the acquisition method. Under this method of accounting, Alvarium Tiedemann is treated as the acquirer and Umbrella is treated as the acquired company for financial statement reporting purposes. Upon the consummation of the Business Combination, the assets and liabilities of Umbrella are recognized at fair value, and any consideration in excess of the fair value of the net assets acquired (including identifiable intangible assets) is recognized as goodwill.

The Company has determined TWMH to be the predecessor entity to the Business Combination based on a number of considerations, including TWMH former management making up the majority of the senior under administration of the continuing operations of Alvarium Tiedemann. Therefore, the results of operations presented prior to the Business Combination will be those of TWMH. The unaudited pro forma condensed combined financial information should be read in conjunction with:

- the accompanying notes to the unaudited pro forma combined financial statements;
- the historical financial statements of Cartesian, as of, and for the fiscal year ended December 31, 2022, included elsewhere in this Current Report on Form 8-K;
- the historical financial statements of TWMH, the TIG Entities and Alvarium, as of, and for the fiscal year ended December 31, 2022 included elsewhere in this Current Report on Form 8-K;
- the sections of the Current Report on Form 8-K entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Cartesian”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of TWMH”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the TIG Entities” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations of Alvarium”.

The following summarizes the ownership of Class A Common Stock of the Company and the total economic ownership of Alvarium Tiedemann (i.e., assuming each shareholder of Alvarium Topco exchanged his, her or its (a) ordinary shares of Alvarium Topco and (b) class A shares of Alvarium Topco for Class A Common Stock of Cartesian at the Closing) as of the Closing (not taking into account the impact of any Earn-Out Securities):

	Economic Interest in Alvarium Tiedemann (Class A Common Stock)(1)(2)		**Voting Interest in Alvarium Tiedemann (Class A and Class B Common Stock)(1)**	
	Alvarium Tiedemann Units	**%**	**Alvarium Tiedemann Units**	**%**
Alvarium Tiedemann Shareholders	542,051	1.0%	542,051	0.5%
Existing Alvarium Shareholders	30,576,435	53.2%	30,576,435	27.4%
PIPE Investors	18,996,474	33.0%	18,996,474	17.0%
Sponsor and Independent Directors	6,676,836	11.6%	6,676,836	5.1%
Existing TWMH and TIG Entities Members	696,272	1.2%	55,729,233	50.0%
Total	**57,488,068**	**100.0%**	**112,521,029**	**100.0%**

(1) The economic and voting interests in Alvarium Tiedemann included in the table give effect to secondary share purchases occurring after the Business Combination.

(2) The economic interests in Alvarium Tiedemann represent a 51% economic interest in Umbrella. The existing TWMH and TIG Rollover Shareholders will hold a 49% economic interest in Umbrella.

The table below illustrates the ownership of the controlling and noncontrolling interests in Umbrella as of the Closing (not taking into account the impact of any Earn-Out Securities):

	Alvarium Tiedemann Units	%
Umbrella Class A common units held by Alvarium Tiedemann	57,488,068	51%
Umbrella Class B common units held by TWMH and TIG Entities Members	55,032,961	49%
Total Umbrella units	**112,521,029**	**100%**

The unaudited pro forma condensed combined financial information is for illustrative purposes only. You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had the Business Combination occurred on the dates indicated or the future results that the Company will experience. The pro forma adjustments are based on the information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ from the assumptions used to present the accompanying unaudited pro forma condensed combined financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2022
(in thousands)

Assets	Cartesian (Historical)	TWMH (Historical)	TIG Entities (Historical)	Alvarium (Historical) (Note 2)	Non-Business Combination Adjustments		Business Combination Adjustments		Pro Forma Combined
Cash and cash equivalents	$ 86	$ 7,131	$ 1,592	$ 8,643	$ 165,000	(a)	$ (39,502)	(e)	$ 43,215
					(7,800)	(b)	349,984	(g)	
					3,101	(c)	(99,999)	(h)	
							(345,021)	(j)	
Restricted cash and cash equivalents	—	—	6,750	—	—		—		6,750
Investments at fair value	—	145	148,529	9	—		—		148,683
Cash and securities held in Trust Account	349,984	—	—	—	—		(349,984)	(g)	—
Equity method investments	—	52	—	8,399	—		—		8,451
Fees receivable	—	19,540	16,040	54,895			—		90,475
Intangible assets, net	—	20,578	—	106,266	—		448,160	(i)	575,004
Goodwill	—	25,464	—	53,547	—		455,182	(i)	534,193
Fixed assets, net	—	975	141	2,903			—		4,019
Other assets	—	8,008	6,980	328	2,164	(c)	—		17,480
Right-of-use assets	—	10,095	2,750	11,125	—		—		23,970
Total assets	$ 350,070	$ 91,988	$ 182,782	$ 246,115	$ 162,465		$ 418,820		$ 1,452,240
Liabilities and Shareholders' Equity									
Accrued compensation and profit sharing	$ —	$ 15,660	$ 9,392	$ —	$ 10,659	(d)	$ —		$ 35,711
Accrued member distributions payable	—	11,422	—	—	—		—		11,422
Accounts payable and accrued expenses	8,005	8,073	26,672	53,962	—		12,341	(f)	109,053
	—	—	—	—	—		(39,502)	(e)	(39,502)
Lease liabilities	—	10,713	2,823	13,911	—		—		27,447
Earn-in consideration, at fair value	—	1,519	—	—	—		—		1,519
Payable under delayed share purchase agreement	—	1,818	—	—	—		—		1,818
Debt	491	21,187	42,452	60,666	5,265	(c)	—		130,061
Deferred tax liability, net	—	82	—	25,965	(3,102)	(d)	46,796	(i)(vii)	69,741
Fair value of payout right	—	3,662	—	—	—		—		3,662
Deferred underwriting fee	7,800	—	—	—	(7,800)	(b)	—		—
Warrant liability	10,531	—	—	—	—		—		10,531
Earnout liability	—	—	—	—	—		74,999	(i)(iii)	74,999
TRA liability	—	—	—	—	—		9,500	(i)(iv)	9,500
Total liabilities	26,909	74,136	81,339	154,504	5,022		104,134		446,044
Commitments and contingencies:									
Class A ordinary shares subject to possible redemption	349,984	—	—	—	—		(349,984)	(j)(k)	—
Equity:									
Preference shares	—	—	—	—	—		—		—
Class A common stock	—	—	—	—	2	(a)	9	(j)	12
							1	(l)	
Class A ordinary shares	—	—	—	—	—		—		—
Class B ordinary shares	1	—	—	—	—		(1)	(l)	—
Members' capital – Class A	—	3	—	—	—		(3)	(i)(viii)	—
Members' capital – Class B	—	18,607	—	—	—		(18,607)	(i)(viii)	—
Total members' equity	—	—	101,443	—	(7,557)	(d)	(93,886)	(i)(viii)	—
Equity attributable to the owners of the parent company	—	—	—	91,606			(91,606)	(i)(viii)	—
Additional paid-in capital	1,201	—	—	—	164,998	(a)	—		476,922
							305,761	(i)(i)	
							99,998	(j)(ii)	
							(99,999)	(h)	
							4,963	(k)	
							(79,011)	(i)(ix)	
							79,011	(i)(ix)	
Retained earnings (accumulated deficit)	(28,025)	—	—	—			(12,341)	(f)	(28,025)
							12,341	(i)(x)	
Accumulated other comprehensive income (loss)	—	(1,077)	—	—	—		1,077	(i)(xi)	—
Non-controlling interest in subsidiaries	—	319	—	5	—		(324)	(i)(xii)	557,287

						282,469	(i)(v)	
						274,818	(i)(vi)	
Total shareholders' equity (deficit)	(26,823)	17,852	101,443	91,611	157,443	664,670		1,006,196
Total liabilities and shareholders' equity	$ 350,070	$ 91,988	$ 182,782	$ 246,115	$ 162,465	$ 418,820		$ 1,452,240

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2022
(in thousands, except for share amounts)

	Cartesian (Historical)	TWMH (Historical)	TIG Entities (Historical)	Alvarium (Historical) (Note 2)	Non-Business Combination Adjustments		Business Combination Adjustments		Pro Forma Combined
Income:									
Management/Advisory fees	$ —	$ 76,872	$ 44,104	$ 90,696	—		$ —		$ 211,672
Incentive fees	—	—	15,440	3,529	—		—		18,969
Other income/fees	—	—	—	9,275	—		—		9,275
Total Income	—	76,872	59,544	103,500	—		—		239,916
Expenses:									
Compensation and employee benefits	—	51,234	20,165	86,907	10,659	(a)	—		168,965
Systems, technology, and telephone	—	6,331	2,454	4,176	—		—		12,961
Occupancy costs	—	4,503	1,406	4,151	—		—		10,060
Professional fees	8,563	9,401	8,659	20,401	—		12,341	(b)	59,365
Travel and entertainment	—	1,724	1,191	2,736	—		—		5,651
Marketing	—	1,170	—	516	—		—		1,686
Business insurance expenses	—	1,147	438	1,436	—		—		3,021
Education and training	—	39	—	1,146	—		—		1,185
Contributions, donations and dues	—	303	—	—	—		—		303
Depreciation expense	—	453	12	641	—		—		1,106
Amortization of intangible assets	—	1,886	172	6,462	—		148	(c)	8,668
Other operating expenses	296	—	876	4,138	—		—		5,310
Operating expenses	8,859	78,191	35,373	132,710	10,659		12,489		278,281
Operating income (loss)	(8,859)	(1,319)	24,171	(29,210)	(10,659)		(12,489)		(38,365)
Other income (expenses):									
Interest and dividend income	4,975	206	—	200	—		(4,975)	(d)	406
Interest expense	(32)	(633)	(2,593)	(7,208)	(1,281)	(e)	—		(11,747)
Other investment gain (loss), net	12,540	(97)	20,666	(2,041)	—		—		31,068
Change in fair value of payout right	—	(3,662)	—	—	—		—		(3,662)
Income from equity method investments	—	33	—	1,151	—		—		1,184
Earn-in consideration loss	—	(221)	—	—	—		—		(221)
Other-than-temporary gain (loss) on equity method investments	—	—	—	5,317	—		—		5,317
Change in fair value of interest rate swap	—	276	—	—	—		—		276
Change in fair value of conversion option liability	(41)	—	—	—	—		—		(41)
Other expenses	196	(54)	—	—	—		—		142
Income (loss) before taxes	8,779	(5,471)	42,244	(31,791)	(11,940)		(17,464)		(15,643)
Income tax (expense) benefit	—	(527)	(841)	5,939	3,475	(f)	(3,493)	(f)	4,553
Net income (loss)	8,779	(5,998)	41,403	(25,852)	(8,465)		(20,957)		(11,090)
Net income (loss) attributed to non-controlling interests in subsidiaries	—	(113)	—	(12)	(4,140)	(g)(i)	(2,162)	(g)(ii)	(6,427)
Net income (loss) attributable to Alvarium Tiedemann	$ 8,779	$ (5,885)	$ 41,403	$ (25,840)	$ (4,325)		$ (18,795)		$ (4,663)
Pro Forma Earnings Per Share									
Basic									$ (0.08)
Diluted									$ (0.08)
Pro Forma Number of Shares Used in Computing Earnings Per Share									
Basic (#)									57,488,068
Diluted (#)									57,488,068

Note 1—Description of the Business Combination

Description of the Business Combination

On September 19, 2021, Cartesian Growth Corporation entered into the Business Combination Agreement with, inter alios, TWMH, the TIG Entities, and Alvarium, as described under the heading "*Proposal No. 1.—The Business Combination Proposal—The Business Combination Agreement*". Subject to the terms of the Business Combination Agreement, the consideration for the Business Combination will be funded through a combination of cash from Cartesian, proceeds from the proposed Private Placements and rollover equity from the Alvarium Tiedemann equity holders (refer to Estimated Sources and Uses below). As a result of the transaction, the Alvarium Tiedemann equity holders will collectively hold a majority of the equity of Umbrella (Alvarium Tiedemann Capital, LLC). The Business Combination was structured as a customary Up-C transaction, whereby Cartesian will directly or indirectly own equity in Umbrella and hold direct voting rights in Umbrella. Pursuant to and in connection with the Business Combination, the following transactions occurred:

- Cartesian changed its jurisdiction of incorporation by deregistering as an exempted company in the Cayman Islands and continuing and domesticating as a corporation under the laws of the State of Delaware, upon which Cartesian changed its name to "Alvarium Tiedemann Holdings, Inc." and adopted the Proposed Charter and the Proposed Bylaws;
- In conjunction with Cartesian's change in jurisdiction, (a) each outstanding Class A ordinary share automatically converted into one share of Alvarium Tiedemann Class A Common Stock, (b) each outstanding Class B ordinary share automatically converted into one share of Alvarium Tiedemann Class A Common Stock and (c) the outstanding warrants to purchase Class A ordinary shares automatically became exercisable for shares of Alvarium Tiedemann Class A Common Stock.
- Alvarium Tiedemann formed Umbrella Merger Sub;
- TWMH and the TIG Entities' equity owners formed Umbrella;
- The TIG Entities distributed their interests in the External Strategic Managers in which they made strategic investments to Umbrella;
- Alvarium equity owners formed Alvarium TopCo where Alvarium is a wholly-owned subsidiary of Alvarium TopCo;
- Alvarium equity owners exchanged their equity interests in Alvarium for equity interests in Alvarium Tiedemann;
- Umbrella merged with Umbrella Merger Sub, pursuant to which Umbrella will survive;
- Alvarium Tiedemann contributed 100% of equity interest in Alvarium TopCo to Umbrella in exchange for equity interest in Umbrella;
- Alvarium Tiedemann, TWMH and the TIG Entities entered into a tax receivable agreement ("TRA") through which Alvarium Tiedemann made additional payments to the members of TWMH and the members of the TIG Entities for the tax benefits realized with the step-up in tax basis created as a result of the exchange of units of Umbrella for Alvarium Tiedemann stock or other consideration;
- Alvarium Tiedemann contributed cash to Umbrella;
- In exchange for the assets and businesses contributed to Umbrella and its subsidiaries, (a) the TWMH, TIG Entities, and Alvarium shareholders were paid an implied equity value of approximately $965 million, consisting of (i) $100.0 million of cash consideration for the secondary sale of units (subject to adjustment), (ii) shares of Alvarium Tiedemann Class A ordinary shares, and (iii) common units in Umbrella.

- Alvarium Tiedemann received all amounts at the Closing then available in the Trust Account (plus the proceeds of any equity financing received in connection with the Private Placements), net of amounts required (a) to make the cash consideration payments as a result of the Business Combination and (b) to redeem any of the Public Shareholders exercising their respective redemption rights, and contributed any such amounts to Umbrella to pay the transaction expenses of Cartesian, TWMH, the TIG Entities and Alvarium and otherwise for general corporate purposes;
- Alvarium Tiedemann holds 51%, representing economic interests in Umbrella while non-controlling shareholders holds 49% representing economic interests in Umbrella;
- Approximately 2.1 million founders shares were forfeited by the Sponsor, and the remaining approximately 6.4 million founder shares were converted into an equal amount of shares of Class A Common Stock of Alvarium Tiedemann, which include up to approximately 0.8 million shares of Class A Common Stock which are held by Sponsor and subject to potential forfeiture based on a five-year post-closing earn-out, with (i) 50% of such shares being no longer subject to forfeiture if the volume weighted average price ("VWAP") of the shares equals or exceeds $12.50 and (ii) the remaining 50% of such shares no longer subject to forfeiture if the VWAP of the shares equals or exceeds $15.00; and
- Alvarium Tiedemann adopted an omnibus equity incentive plan for itself and its subsidiaries.

Pursuant to Cartesian's certificate of incorporation, Cartesian provided its shareholders with the opportunity to redeem their shares in conjunction with a shareholders vote on the transaction contemplated by the Business Combination Agreement, including the Business Combination.

Other related events in connection with the Business Combination

Other related events that occurred in connection with the Business Combination are summarized below:

- The issuance of 16.9 million shares of Class A Common Stock in the Private Placements to PIPE Investors.
- Subsequent to the Business Combination, the Class D-1 equity interest holder of TIG Entities will become an employee of the TIG Entities.
- The settlement of the $7.8 million deferred underwriting commissions incurred in connection with Cartesian's IPO.
- The extinguishment of Cartesian, TWMH, TIG Entities, and Alvarium's debt with a carrying value of $124.8 million.
- The issuance of new credit facilities in connection with the Business Combination ("New Debt"). This includes a $100.0 million term loan facility, net of $1.8 million in fees, bearing interest at the secured overnight financing rate ("SOFR") plus a Credit Spread Adjustment ("CSA"). A 0.125% change in the estimated interest rate on the term loan facility, which has a variable interest rate, would result in a change in interest expense of approximately $0.1 million for year ended December 31, 2022. A revolving credit facility of $150.0 million, net of $2.8 million in fees bearing interest at the SOFR, plus a CSA, plus a commitment fee ("CF"). A 0.125% change in the estimated interest rate on the revolving credit facility, which has a variable interest rate, would result in an immaterial change in interest expense for the year ended December 31, 2022. The term loan facility matures on January 3, 2028 and the revolving credit facility matures on or such earlier date as the revolving credit commitments may be terminated pursuant to and in accordance with the terms of the Credit Agreement.

Equity Sale of Investment Adviser to HomeREIT

On December 30, 2022, ARE, an indirect wholly-owned subsidiary of Alvarium, entered into an agreement to sell 100% of the equity of AHRA to a newly formed entity owned by the management of AHRA, for aggregate consideration approximately equal to £24 million.

Additionally, ARE received a call option pursuant to which ARE has the right to repurchase AHRA prior to the repayment of the note for a purchase price equal to the loan balance then outstanding thereunder.

The unaudited pro forma combined financial statements include the accounts of AHRA. Subsidiaries are companies over which Alvarium has the power indirectly and/or directly to control the financial and operating policies so as to obtain benefits. In assessing control for accounting purposes, potential voting rights that are presently exercisable or convertible are taken into account. Although Alvarium does not presently have legal control of AHRA, it has a right to reacquire such legal control through the call option it holds and accordingly AHRA has been deemed to be a subsidiary for accounting purposes.

Sources and Uses of Funds for the Business Combination

The following tables summarize the sources and uses for funding the Business Combination which reflects actual redemptions of shares at a redemption price of $10 per share which is equal to the pro rata portion of the Trust Account.

Sources and Uses (in millions)

Sources	
Alvarium Shareholders Equity(1)	$ 306
TWMH Members Equity(2)	297
TIG Entities Members Equity(3)	262
Subtotal(5)	865
Cartesian Class B ordinary Shares held by Sponsor and Independent Directors(4)	58
Cash Held in Trust Account	5
Proceeds from PIPE	165
Total Sources	**$1,093**
Uses	
Equity Consideration to Alvarium Shareholders(1)	$ 306
Equity Consideration to TWMH Members(2)	297
Equity Consideration to TIG Entities Members(3)	262
Subtotal(5)	865
Conversion of Cartesian Class B ordinary Shares held by Sponsor and Independent Directors(6)	58
Secondary Share Purchases	100
Cash to Balance Sheet	8
Estimated Transaction Expenses	62
Total Uses	**$1,093**

(1) Represents the $297 million Alvarium Equity Value plus the $9 million Alvarium Closing Cash Adjustment.

(2) Represents the $312 million TWMH Equity Value less $30 million of Secondary Share Purchases plus the $15 million TWMH Closing Cash Adjustment.

(3) Represents the $325 million TIG Entities Equity Value less $70 million of Secondary Share Purchases plus the $7 million TIG Entities Closing Cash Adjustment.

(4) Represents Cartesian Class B ordinary shares held by the Sponsor and independent directors, assuming a per share price of $10.00. Excludes the effect of 2,116,878 shares of Class A Common Stock which was forfeited to PIPE Investors at Closing, and 754,968 shares of Class A Common Stock held by Sponsor based on a five year-post-closing earnout, with (i) 50% of such shares being no longer subject to forfeiture if the VWAP of the shares equals or exceeds $12.50 for any 20 trading days within any 30-trading day period and (ii) the remaining 50% of such shares no longer subject to forfeiture if the VWAP of the shares equals or exceeds $15.00 for any 20 trading days within any 30-trading day period.

(5) Represents the issuance of an aggregate of 86,305,668 shares of Class A Common Stock and Paired Interests to the Alvarium Shareholders and the TWMH Members and TIG Entities Members, as applicable, at an implied value of $10.00 per share or Paired Interest.

(6) Represents the conversion of Cartesian Class B ordinary shares held by the Sponsor and Independent Directors into Class A Common Stock, at an implied value of $10.00 per share.

Basis of presentation

The unaudited pro forma condensed combined balance sheet as of December 31, 2022 assumes that the Business Combination was completed on December 31, 2022. The unaudited pro forma condensed combined statement of operations for the fiscal year ended December 31, 2022 gives pro forma effects to the Business Combination as if it had occurred on January 1, 2022.

The unaudited pro forma condensed combined balance sheet as of December 31, 2022 has been prepared using the following:

- Cartesian's balance sheet;
- TWMH's statement of financial condition;
- TIG Entities' statement of financial position; and
- Alvarium Investments' statement of financial position

The unaudited pro forma condensed combined statement of operations for the fiscal year ended December 31, 2022 have been prepared using the following:

- Cartesian's statement of operations;
- Tiedemann Wealth Management Holdings' statement of operations;
- TIG Entities' statement of operations; and
- Alvarium Investments' statement of comprehensive income

The merger between Alvarium Tiedemann and Umbrella was accounted for as a business combination under ASC Topic 805 and 810, and was accounted for using the acquisition method. Under this method of accounting, Umbrella was treated as the "acquired" company for financial reporting purposes.

Under the acquisition method, the acquisition-date fair value of the gross consideration transferred to effect the business combination, as described in Note 3—Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet, is allocated to the assets acquired and liabilities assumed based on their estimated fair values. The Company has made significant estimates and assumptions in determining the preliminary allocation of the gross consideration transferred in the unaudited pro forma condensed combined financial statements. As the unaudited pro forma condensed combined financial statements have been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial statements do not give effect to any anticipated operating efficiencies or cost savings that may be associated with the business combination. Certain reclassification adjustments have been made in the unaudited pro forma condensed combined financial statements to conform the Alvarium Tiedemann historical basis of presentation to that of TWMH, where applicable.

The pro forma adjustments reflecting the consummation of the Business Combination are based on certain estimates and assumptions. The unaudited pro forma adjustments may be revised as additional information becomes available. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments, and it is possible the difference may be material. Alvarium Tiedemann believes that assumptions made provide a reasonable basis for presenting all of the significant effects of the Business Combination contemplated based on information available to Alvarium Tiedemann at the time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma financial information. The unaudited pro forma condensed combined financial statements are not necessarily indicative of what the actual results of operations would have been had the business combination taken place on the date indicated, nor are they indicative of the future consolidated results of operations of the combined company. They should be read in conjunction with the historical consolidated financial statements and notes thereto of the Companies.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give effect to Pro Forma Adjustments, which are adjustments that depict in the pro forma condensed combined financial statements the accounting for the transactions required by U.S. GAAP.

The unaudited pro forma condensed combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the Alvarium Tiedemann companies filed consolidated income tax returns during the period presented. The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of the Alvarium Tiedemann shares outstanding, assuming the transaction occurred on January 1, 2021 and based upon the amount of redemptions.

Note 2—Accounting Policies

Upon consummation of the Business Combination, Alvarium Tiedemann will perform a comprehensive review of TWMH, the TIG Entities, and Alvarium's accounting policies. As a result of the review, Alvarium Tiedemann may identify differences between the accounting policies of the companies which, when conformed, could have a material impact on the combined financial statements. Based on its initial analysis, Alvarium Tiedemann has not identified any material differences in accounting policies that would have an impact on the unaudited pro forma condensed combined financial information.

Reclassifications

Certain historical balance sheet line items of Cartesian, the TIG Entities, and Alvarium were reclassified to arrive at the pro forma financial statement presentation. Alvarium's historical financial statements were prepared under UK GAAP. As part of the Business Combination, Alvarium has adjusted its financial statements to conform to US GAAP. The tables below display the adjustments made to the historical Alvarium financial statements to conform to US GAAP.

Alvarium Balance Sheet as of December 31, 2022

Alvarium Balance Sheet as of December 31, 2022 (amounts in thousands)	Alvarium Historical (UK GAAP) (GBP)	Alvarium Adjusted for UK to US GAAP Conversion (US GAAP) (GBP) (1)	Alvarium Foreign Currency Adjusted (USD) (2)
Assets			
Cash and cash equivalents	£ 7,153	£ 7,153	$ 8,643
Investments at fair value	7	7	9
Equity method investments	7,359	6,951	8,399
Fees receivable	47,003	45,431	54,895
Intangible assets, net	—	87,947	106,266
Goodwill	66,049	44,316	53,547
Fixed assets, net of accumulated depreciation/amortization	2,403	2,403	2,903
Other assets	271	271	328
Right-of-use assets	—	9,207	11,125
Total assets	£ 130,245	£ 203,686	$ 246,115
Liabilities and Shareholders' Equity			
Accounts payable and accrued expenses	46,128	44,659	53,962
Lease liabilities	—	11,513	13,911
Debt	50,207	50,207	60,666
Deferred tax liability, net	2,012	21,489	25,965
Total liabilities	98,347	127,868	154,504
Equity attributable to owners of the parent company	31,894	75,814	91,606
Non-controlling interests in subsidiaries	4	4	5
Total shareholders' equity	31,898	75,818	91,611
Total liabilities and shareholders' equity	£ 130,245	£ 203,686	$ 246,115

(1) Certain adjustments were made to Alvarium's historical balance sheet as a result of Alvarium's conversion from UK GAAP to US GAAP. For further information on the conversion adjustments, please refer to the "Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP)" note within Alvarium's historical financial statements.

(2) Represents adjustments made to convert Alvarium balances from GBP to USD at a 1.0000 to 1.2083 conversion ratio.

Alvarium Income Statement for the Year Ended December 31, 2022

Alvarium Income Statement for the Year Ended December 31, 2022 (dollars in thousands)	Alvarium Historical (UK GAAP) (GBP)	Alvarium Adjusted for UK to US GAAP Conversion (US GAAP) (GBP) (1)	Alvarium Foreign Currency Adjusted (USD) (2)
Income:			
Management/Advisory fees	£ 72,009	£ 71,985	$ 90,696
Incentive fees	2,634	2,634	3,529
Other income/fees	6,981	7,617	9,275
Total income	81,624	82,236	103,500
Expenses:			
Compensation and employee benefits	89,760	69,346	86,907
Systems, technology, and telephone	3,329	3,329	4,176
Occupancy costs	3,320	3,320	4,151
Professional fees	16,500	16,500	20,401
Travel and entertainment	2,203	2,203	2,736
Marketing	425	425	516
Business insurance expenses	1,142	1,142	1,436
Education and training	908	908	1,146
Depreciation expense	510	510	641
Contributions, donations and dues	—	—	—
Amortization of intangible assets	8,812	5,291	6,462
Other operating expenses	3,497	3,435	4,138
Total operating expenses	130,406	106,409	132,710
Operating income (loss)	(48,782)	(24,173)	(29,210)
Other income (expenses):			
Interest and dividend income	159	159	200
Interest expense	(5,921)	(5,921)	(7,208)
Other investment gain (loss), net	(1,736)	(1,736)	(2,041)
Income from equity method investments	496	866	1,151
Other-than-temporary gain (loss) on equity method investments	4,499	4,225	5,317
Change in fair value of interest rate swap	—	—	—
Other expenses	—	—	—
Income (loss) before taxes	(51,285)	(26,580)	(31,791)
Income tax expense	4,770	5,017	5,939
Net income (loss)	(46,515)	(21,563)	(25,852)
Net income (loss) attributed to non-controlling interests in subsidiaries	(9)	(9)	(12)
Net income (loss) attributable to Alvarium Tiedemann	£ (46,506)	£ (21,554)	$ (25,840)

(1) Certain adjustments were made to Alvarium's historical income statement as a result of Alvarium's conversion from UK GAAP to US GAAP. For further information on the conversion adjustments, please refer to the "Significant differences between generally accepted accounting policies in the United Kingdom (UK GAAP) and those of the United States (US GAAP)" note within Alvarium's historical financial statements.

(2) Represents adjustments made to convert Alvarium balances from GBP to USD at a quarterly average rate for the quarters ended March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022.

Note 3—Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet as of December 31, 2022

The adjustments included in the unaudited pro forma condensed combined balance sheet as of December 31, 2022 are as follows:

(a) Reflects the net proceeds of $165.0 million from the issuance of 16,936,715 shares of Class A Common Stock at $9.80 per share with a par value of $0.0001 from the Private Placements, inclusive of 100,000 shares of Class A Common Stock issued pursuant to the Side Letter for no cash consideration.

(b) Represents the $7.8 million cash payment in connection with Cartesian's IPO of $7.8 million of deferred underwriting commissions incurred.

(c) Represents the net proceeds from the issuance of New Debt. See below for a reconciliation table of the debt adjustments for the period presented.

	Cartesian	TWMH	TIG Entities	Alvarium	AlTi Adjustments	Total
Historical debt balance	**$ 491**	**$ 21,187**	**$ 42,452**	**$ 60,666**	**$ —**	**$ 124,796**
Extinguishment of debt	(491)	(21,187)	(42,452)	(60,666)	—	(124,796)
New term loan debt	—	—	—	—	100,000	100,000
Term loan debt issuance costs	—	—	—	—	(1,841)	(1,841)
New revolver loan debt	—	—	—	—	32,500	32,500
Revolver debt issuance costs	—	—	—	—	(598)	(598)
Undrawn revolver debt issuance costs	—	—	—	—	(2,164)	(2,164)
Pro forma adjustment	(491)	(21,187)	(42,452)	(60,666)	127,897	3,101
Ending balance	**$ —**	**$ —**	**$ —**	**$ —**	**$ 127,897**	**$ 127,897**

(d) Represents the $10.7 million adjustment for the accrual of the Class D-1 distribution payable to the Class D-1 equity interest holder at the Closing of the Business Combination. The Class D-1 equity interest holder expense results in a $3.1 million decrease to the deferred tax liability. The Class D-1 equity interest holder will become an employee of the TIG Entities subsequent to the Business Combination.

(e) Represents the cash payment to settle transaction expenses at Closing of $39.5 million. See below for a reconciliation of transaction costs for the period presented (in millions):

Transaction Costs by Entity	Total Estimated Transaction Costs	Incremental Transaction Costs (1)	Actual Costs Incurred as of December 31, 2022 (2)	Transactions Costs Accrued and Paid at Closing	Accounting Treatment
TWMH	12.4	6.3	18.7	5.9	Seller transaction costs in accordance with ASC 805-10-25-21 (3)
TIG	9.1	7.2	16.3	9.4	Seller transaction costs in accordance with ASC 805-10-25-21 (3)
Alvarium	20.4	7.4	27.9	16.2	Seller transaction costs in accordance with ASC 805-10-25-21 (3)
Target Company transaction costs	**41.9**	**20.9**	**62.8**	**31.5**	
Cartesian	12.1	(1.8)	10.4	8.0	Buyer transaction costs in accordance with ASC 805-10-25-23
Total transaction costs related to Business Combination	**54.0**	**19.2**	**73.2**	**39.5**	
Settlement of Deferred Underwriting Fee in connection with Cartesian IPO	7.8	—	7.8	7.8	Buyer transaction costs in accordance with ASC 805-10-25-23
Total transaction costs	**61.8**	**19.2**	**81.0**	**47.3**	

(1) Represents incremental transaction costs incurred that relate to the Business Combination that are in excess of the $61.8 million of Estimated Transaction Expenses. The impact of the $19.2 million incremental transaction costs have been reflected in each of the Target Companies' Closing Cash Adjustment.

(2) Costs incurred have been included in the historical financial statements of the respective entities for the respective periods in accordance with SAB Topic 1B.

(3) Seller transaction costs are reimbursed by Cartesian to TWMH, TIG and Alvarium through a cash transfer to the Target Companies that does not benefit the sellers. As such, these costs do not represent consideration transferred to the selling shareholders.

(f) Represents the accrual of $12.3 million of success fees contingent on the completion Business Combination.

(g) Reflects the reclassification of $350.0 million of cash and cash equivalents held in the Trust Account of Cartesian that will become available for transaction consideration, transaction expenses, and the operating activities in conjunction with the Business Combination.

(h) Reflects the use of $100.0 million representing the secondary purchase of partnership interests in Umbrella, or the Aggregate Cash Consideration to be distributed to the TIG Entities and TWMH Members. The TIG Entities Members are entitled to $70.2 million and the TWMH Members are entitled to $29.8 million of Aggregate Cash Consideration. The distribution of the Aggregate Cash Consideration to the members to the TIG Entities and TWMH occurs subsequent to the issuance of shares for net proceeds of $165.0 million referenced in footnote (a) on the closing date of the transaction, and results in a reduction of cash and equity.

(i) Represents the adjustment for the estimated preliminary purchase price allocation for the Business Combination. The preliminary calculation of total consideration is presented below as if the Business Combination was consummated on December 31, 2022.

	Fair Value (in millions)
Equity consideration to Alvarium Shareholders (i)	$ 305.8
Aggregate Cash Consideration to TWMH and TIG Entities Members (ii)	100.0
Fair value of Earn-Out Consideration (iii)	75.0
Tax receivable agreement (iv)	9.5
Equity consideration to TWMH Members (v)	282.5
Equity consideration to TIG Entities Members (vi)	274.8
Total consideration for allocation	1,047.6
Assets acquired:	
Cash and cash equivalents	24.1
Investments at fair value	148.7
Equity method investments	8.3
Fees receivable	90.5
Right-of-use assets	24.0
Intangible assets, net	575.0
Fixed assets, net of accumulated depreciation/amortization	4.0
Other assets	15.3
Total assets acquired	889.9
Liabilities assumed:	
Accrued compensation and profit sharing	35.7
Accrued member distributions payable	11.4
Accounts payable and accrued expenses	101.0
Lease liabilities	27.4
Earn-in consideration payable	1.5
Delayed share purchase agreement	1.8
Debt	124.3
Deferred tax liability, net	69.7
Fair value of payout right	3.7
Total liabilities assumed	376.5
Net assets acquired	513.4
Goodwill	534.2
Less: historical goodwill	79.0
Pro forma adjustment to goodwill	$ 455.2

(i) Represents $305.8 million of Class A Common Stock of Alvarium Tiedemann issued to the Alvarium Shareholders based on the fair value of the acquired business.

(ii) Represents the $29.8 million and the $70.2 million of Aggregate Cash Consideration transferred to the TWMH and TIG Entities Members, respectively, for the secondary purchase of partnership interests in Umbrella.

(iii) Represents $75.0 million of Earn-Out Consideration transferred to the Alvarium Shareholders, TWMH Members, and TIG Entities Members, which will be settled with shares of Class A Common Stock. The total value of the Earn-Out Consideration was determined by using a Monte Carlo simulation to forecast the future daily price per share of Class A common stock over a five-year time period. Inherent in a Monte Carlo simulation are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Alvarium Shareholders, the TWMH Members, and the TIG Entities Members Earn-Out Consideration is accounted for as contingent consideration under ASC 805 related to the Business Combination. The earnout liability represents an increase to the consideration owed and is not an assumed liability within purchase accounting.

(iv) Represents the estimated fair value of the Tax Receivable Agreement ("TRA"), which will provide for certain payments made to the TWMH Members, TIG GP Members, and the TIG MGMT Members. The TRA is accounted for as contingent consideration under ASC 805 related to the Business Combination. The $9.5 million increase to the TRA liability establishes the net present value of the contingent consideration owed to TWMH Members and the TIG Entities Members as part of the TRA. Upon completion of the Business Combination, Cartesian will be party to a TRA. As described under "Certain Relationships and Related-Party Transactions—Tax Receivable Agreement," in connection with this Business Combination, Cartesian will enter into the TRA with the TWMH Members and the TIG Entities Members. The agreement will require Cartesian to pay an amount equal to 85% of the net tax benefit, if any, that Cartesian realizes in certain circumstances as a result of (i) increases in tax basis resulting from the Business Combination, (ii) certain tax attributes of Umbrella existing prior to the Business Combination, and (iii) tax benefits attributable to payments made under this TRA, generating a liability (the "TRA liability"). The deferred tax asset and the TRA liability for the TRA assume: (A) only exchanges associated with this Business Combination, (B) a share price equal to $10 per share, (C) a constant income tax rate, (D) no material changes in tax law, € the ability to utilize tax attributes, (F) no adjustment for potential remedial allocations, and (G) future TRA payments.

(v) Represents $282.5 million of Umbrella Class B common units issued to TWMH Members based on the fair value of the acquired business. The Umbrella Class B common units represent economic-only interests held by the TWMH Members. Additionally, for each Umbrella Class B common units held, TWMH Members also hold a share of Alvarium Tiedemann Class B Common Stock, which provides one-for-one voting rights.

(vi) Represents $274.8 million of Umbrella Class B common units issued to TIG Entities Members based on the fair value of the acquired business. The Umbrella Class B common units represent economic-only interests held by the TIG Entities Members. Additionally, for each Umbrella Class B common units held, TIG Entities Members also hold a share of Alvarium Tiedemann Class B Common Stock, which provides one-for-one voting rights.

Intangible assets were identified that met either the separability criterion or the contractual-legal criterion described in ASC Topic 805. Adjustments were made to incorporate the step-up in basis to intangible assets from at the closing of the Business Combination. Below is a summary of the intangible assets acquired in the Business Combination:

	Historical Balance	Fair Value	Change in Estimated Fair Value
Trade Name	—	14,609	14,609
Trade Name – Alvarium Securities	—	121	121
Customer Relationships – TWMH	—	155,700	155,700
Customer Relationships – Investment Advisory	—	6,162	6,162
Customer Relationships – Family Office Services	—	2,054	2,054
Developed Technology – IWP	—	1,000	1,000
Investment Management Agreement – Co-Investment (Private Markets – Indefinite Lived)	—	1,329	1,329
Investment Management Agreement – Co-Investment (Private Markets – Finite Lived)	—	242	242
Investment Management Agreement – Co-Investment (Public Market)	—	146,083	146,083
Backlog– Merchant Banking	—	604	604
Investment Management Agreements – Merger Arbitrage	—	247,100	247,100
Historical Intangible Assets	126,844	—	(126,844)
Total Intangible Assets	126,844	575,004	448,160

Approximately $534.2 million have been allocated to goodwill. Goodwill represents the excess of the gross consideration over the fair value of the underlying net tangible and identifiable intangible assets acquired. Any difference between the fair value of the consideration transferred and the fair values of the assets acquired, and liabilities assumed is presented as goodwill. Qualitative factors that contribute to the recognition of goodwill include certain intangible assets that are not recognized as separate identifiable intangible assets. Goodwill represents future economic benefits arising from acquiring the Target Companies, primarily due to its strong market position, that are not individually identified and separately recognized as intangible assets.

In accordance with ASC Topic 350, Goodwill and Other Intangible Assets, goodwill will not be amortized, but instead will be tested for impairment at least annually or more frequently if certain indicators are present. In the event that the value of goodwill and/or intangible assets has become impaired, an accounting charge for impairment during the quarter in which the determination is made may be recognized.

In addition to the recognition of goodwill and intangibles, the following are adjustments made in connection with the Business Combination:

vii. A $46.8 million increase in deferred tax liabilities that results from the step-up for tax purposes of certain assets, including the deferred tax asset created as a result of payments resulting from the Tax Receivable Agreement.

viii. A $204.1 million decrease to historical equity accounts of TWMH, TIG Entities, and Alvarium.

ix. A $79.0 million decrease in goodwill and subsequent increase to additional paid-in capital to eliminate historical goodwill of TWMH and Alvarium.

x. A $12.3 million increase to retained earnings to eliminate the accrual of success fees in connection with the Business Combination.

xi. A $1.1 million increase to accumulated other comprehensive income to eliminate TWMH accumulated other comprehensive income in connection with the Business Combination.

xii. A $0.3 million decrease to non-controlling interest to reflect the non-controlling interest as a result of the Business Combination.

(j) Represents the cash payment made to redeeming Class A ordinary shareholders.

(k) Represents the $5.0 million conversion of all of the outstanding redeemable Ordinary Shares of Alvarium Tiedemann that were not redeemed and thus converted into shares of Class A Common Stock with an offset to Additional paid-in capital

(l) Represents the conversion of all of the outstanding redeemable Ordinary Shares of Alvarium Tiedemann that were not redeemed and thus converted into shares of Class A Common Stock with an offset to Additional paid-in capital as well as the automatic conversion on a one-for-one basis of the outstanding non-redeemable Ordinary Shares of Alvarium Tiedemann, which will then automatically convert into the right to receive shares of Class A Common Stock.

Note 4—Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations for the Year Ended December 31, 2022

The adjustments included in the unaudited pro forma condensed combined statement of operations for the Year ended December 31, 2022 are as follows:

(a) Represents the $10.7 million adjustment for the Class D-1 equity interest holder’s compensation expense as the Class D-1 equity interest holder will become an employee of the TIG Entities subsequent to the Business Combination.

(b) Represents the pro forma adjustment to recognize $12.3 million of expenses related to success fees contingent on the Closing of the Business Combination.

(c) Represents adjustments to incorporate intangible asset amortization for the step-up in basis related to the Business Combination at the closing of the Business Combination. This pro forma adjustment has been calculated assuming the transaction occurred on January 1, 2022. The following table is a summary of information related to certain intangible assets acquired, including information used to calculate the pro forma amortization expense.

Identified Intangible Asset	Fair Value	Years of Amortization	Amortization for Period
Trade Name	$ 14,609	10	1,460
Trade Name - Alvarium Securities	121	1	121
Customer Relationships – TWMH	155,700	27	5,767
Customer Relationships – Investment Advisory	6,162	32	193
Customer Relationships – Family Office Services	2,054	20	103
Developed Technology – IWP	1,000	5	200
Investment Management Agreement – Co-Investment (Private Markets – Indefinite Lived)	1,329	Indefinite	—
Investment Management Agreement – Co-Investment (Private Markets – Finite Lived)	242	5	48
Investment Management Agreement – Co-Investment (Public Market)	146,083	Indefinite	—
Backlog – Merchant Banking	604	1	604
Investment Management Agreements – Merger Arbitrage	247,100	Indefinite	—
Historical Amortization			(8,348)
Total amortization expense			148

(d) Represents the pro forma adjustments to eliminate interest earned on cash and marketable securities held in the Trust Account.

(e) Represents the pro forma adjustments related to interest expense from the issuance of New Debt. See below for a reconciliation table of the debt adjustments for the period presented.

	Cartesian	TWMH	TIG Entities	Alvarium	AlTi Adjustments	Total
Historical interest expense	$ 32	$ 633	$ 2,593	$ 7,208	$ —	$ 10,466
Eliminate interest expense	(32)	(633)	(2,593)	(7,208)	—	(10,466)
Term loan interest expense	—	—	—	—	7,975	7,975
Revolver loan interest expense	—	—	—	—	3,772	3,772
Pro forma adjustment	(32)	(1,033)	(2,593)	(7,321)	11,747	1,281
Total	**$ —**	**$ —**	**$ —**	**$ —**	**$ 11,747**	**$ 11,747**

(f) Prior to the Closing, Umbrella was treated as a partnership for U.S. federal and state income tax purposes. As such, Umbrella's profits and losses flowed through to its partners and were generally not subject to tax at the Umbrella level. Following the Closing, Umbrella is subject to U.S. federal, state, and local taxes.

As a result, we expect a portion of our income after our corporate reorganization to be taxable in jurisdictions in which it previously had not been taxable. We estimate that our allocable share of income or loss from the partnership will be subject to an effective tax rate of 29%. Further, these pro forma income tax provisions are prepared as if the transaction occurred on January 1, 2022.

(g)(i) Represents the pro forma 49% economic interest the non-controlling shareholders will hold in Class B common units in Umbrella. The amount is determined by multiplying the sum of the total net income of TWMH, TIG Entities, Alvarium, and the net income of the Business Combination Adjustments by 49%.

(g)(ii)Represents the pro forma 49% economic interest the non-controlling shareholders will hold in Class B common units in Umbrella.

The amounts are calculated as follows (in thousands):

	For the Year Ended December 31, 2022
Income before taxes attributable to NCI	
TWMH	$ (5,471)
TIG Entities	42,244
Alvarium	(31,791)
	4,982
Pro forma economic interest percentage	48.91%
Pro forma income before taxes attributable to NCI	2,437
Pro forma adjustments	
Class D-1 Adjustment	(10,659)
Pro forma interest expense adjustment	(1,281)
Business combination adjustment (success fee)	(12,341)
Business combination adjustment (amortization expense)	(148)
	(24,429)
Pro forma economic interest percentage	48.91%
Pro forma amortization expense business combination adjustment attributable to NCI	(11,948)
Alvarium Income Tax Expense	5,939
Pro forma economic interest percentage	48.91%
Alvarium Income Tax Expense attributable to NCI	2,905
Alvarium amortization	4,983
Alvarium success fee	(6,928)
	(1,945)
UK Corporate Tax Rate	19.00%
Pro forma economic interest percentage	48.91%
Alvarium amortization tax add-back attributable to NCI	179
Net income attributed to NCI in subsidiaries Pro Forma Adjustment	**$ (6,427)**
TWMH	113
TIG Entities	—
Alvarium	12
Class D-1 Adjustment	3,696
Pro forma interest expense adjustment	444
Net income attributed to NCI in subsidiaries Business Combination Adjustment	**$ (2,162)**

Note 5—Earnings Per Share

Earnings per share is calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Business Combination, assuming the shares were outstanding at January 1, 2022. As the Business Combination and related transactions are being reflected as if they had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net income per share assumes that the shares issuable relating to the Business Combination have been outstanding for the entire periods presented.

For the purposes of calculating the weighted average number of shares, the Class B shares have been excluded from the calculation as the shares represent voting only shares. The weighted average number of shares outstanding represents Class A shares outstanding, which are economic interest only shares. The following factors are considered, in each case based upon the pro forma shareholder redemption scenarios:

(a) Management determined that the economic shares include Class A common shares issued to:

   a. SPAC Shareholders

      i. 0.5 million shares issued.

   b. SPAC Sponsor and Independent Directors

      i. Approximately 5.8 million shares issued to SPAC Sponsor, which represent approximately 8.6 million shares less the approximately 2.1 million of Sponsor Shares forfeited, less the 0.7 million shares held by the Sponsor forfeited based on a five-year post-closing earn-out, with (i) 50% of such shares being no longer subject to forfeiture if the VWAP of the shares equals or exceeds $12.50 and (ii) the remaining 50% of such shares no longer subject to forfeiture if the VWAP of the shares equals or exceeds $15.00;

   c. PIPE Investors

      i. Approximately 19.0 million shares issued to PIPE Investors.

   d. Alvarium Shareholders

      i. Approximately 30.6 million shares issued to Alvarium Shareholders.

(b) Existing shareholders have rights to exchange the pre-existing voting units to Class A common shares on a one-for-one exchange basis. Upon full exchange, Class A common shares shall be increased by 55.0 million shares. The conversion effects are excluded in the diluted earnings per share calculation, as the result would be anti-dilutive for the year ended December 31, 2022.

(c) The 11.5 million of public warrants and 8.9 million of private warrants with an exercise price at $11.50 are not converted to Class A Common Stock at the Closing of the Business Combination. The warrant effects are excluded from the diluted earnings per share calculation, as the result would be anti-dilutive for the year ended December 31, 2022.

(d) The 10.4 million of remaining earn-out shares will be allocated among the TWMH Members, the TIG Entities Members, the Alvarium Shareholders, and the Sponsor. Of the total earn-out shares, 2.5 million, will be allocated to Alvarium Shareholders and 0.8 million will be allocable to the Sponsor, which will vest into Class A Common Stock. Of the remaining earn-out shares, 3.6 million will be allocated to the TWMH Members and 3.5 million, will be allocated to the TIG Entities Members, which will vest into Class B Common Stock. The earn-out effects are excluded in the diluted earnings per share calculation, as the result would be anti-dilutive for the year ended December 31, 2022.

	For the Year Ended December 31, 2022
Numerator	
Net income	$ (11,090)
Less: net income (loss) attributable to noncontrolling interests	(6,427)
Net income attributable to holders of Class A Common Stock – basic	$ (4,663)
Denominator	
Weighted average shares of Class A Common Stock outstanding – basic	57,488,068
Weighted average shares of Class A Common Stock outstanding – diluted	57,488,068
Basic earnings per share	$ (0.08)
Diluted earnings per share	$ (0.08)

The pro forma book value per share information reflects the Business Combination as if it had occurred on December 31, 2022.

	Pro Forma Combined
Book Value Per Share (1)	$ 7.81

(1) Book value per share = total equity attributable to controlling interests/shares outstanding. For the pro forma combined book value per share, total equity attributable to controlling interests is derived using 57.5 million shares.

Certain Non-GAAP Pro Forma Information

The unaudited pro forma condensed combined financial statements are reported in accordance with GAAP and Article 11 of SEC Regulation S-X. In addition, we have provided the following pro forma non-GAAP financial information. We believe that this pro forma non-GAAP financial measure provides useful information about the combined company's pro forma operating results.

This pro forma non-GAAP financial measure is not an alternative to the unaudited pro forma condensed combined statement of operations prepared in accordance with GAAP and should be considered in addition to, and not as a substitute or superior to, such pro forma financial statement. Using only the pro forma non-GAAP financial measure to analyze performance would have material limitations because its calculation is based on our subjective determination regarding the nature and classification of events and circumstances that investors may find significant. For these pro forma non-GAAP financial measures, a reconciliation of the differences between the pro forma non-GAAP measure and the most directly comparable pro forma GAAP measure has been provided. Although other companies report non-GAAP net income and diluted earnings per share, numerous methods may exist for calculating a company's non-GAAP net income and diluted earnings per share. As a result, the method used to calculate the combined company's pro forma non-GAAP financial measure may differ from the methods used by other companies to calculate their non-GAAP measures.

Pro Forma Combined Adjusted Net Income ("Adjusted Net Income")

We define Adjusted Net Income as follows:

Net income (loss) from continuing operations before one-time extraordinary and certain non-cash items, including but not limited to:

- equity settled share-based payments;
- impairment of equity method investments;
- COVID-19 subsidies;
- one-time bonuses;
- transaction expenses,
- legal settlement;
- fair value adjustments to strategic investments;
- change in fair value of (gains) / losses on investments;
- Holbein compensatory earn-in;
- other one-time deal costs;
- long term incentive plan expenses;
- TWMH Partner's payout right;
- change in fair value of warrant liability;
- one-time fees and charges; and
- the income tax expense or benefit on the foregoing adjustments that are subject to income tax

Adjusted Net Income provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the organization. Adjusted Net Income is one of the metrics we use to review the financial performance of our business on a monthly basis.

Adjusted Net Income is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss) or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

Pro Forma Combined Adjusted EBITDA ("Adjusted EBITDA")

We define Adjusted EBITDA as follows:

- Adjusted Net Income;
- adjustments related to joint ventures and associates;
- interest expense, net;
- income tax (benefit) expense;
- the income tax expense or benefit on adjustments to net income that are subject to income tax; and
- depreciation and amortization expense.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation, non-cash impairments and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the organization. Adjusted EBITDA is one of the metrics we use to review the financial performance of our business on a monthly basis.

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss) or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

The following tables present our reconciliation of pro forma Adjusted Net Income and Adjusted EBITDA for the combined Company with the Pro Forma Condensed Combined Statements of Operations for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

(Amounts in thousands)	Year Ended December 31, 2022
Pro Forma Combined Adjusted Net Income and Combined Adjusted EBITDA	
Pro forma net income attributed to Alvarium Tiedemann	$ (4,663)
Pro forma net income attributed to non-controlling interests in subsidiaries	(6,427)
Pro forma net income	(11,090)
Income tax expense	(4,553)
Pro forma net income before taxes	(15,643)
Equity settled share based payments P&L (a)(i)	4,223
Transaction expenses (b)	49,499
Change in fair value of (gains) / losses on investments (c)	(225)
Fair value adjustments to strategic investments (d)	(19,454)
Change in fair value of warrant liability (e)	(12,562)
Change in fair value of conversion option liability (f)	41
One-time bonuses (g)	1,019
TWMH Partner’s payout right (h)	3,662
Holbein compensatory earn-in (i)	1,858
Other one-time deal costs (j)	643
Long term incentive plan expenses (k)	13,170
Legal settlement (l)	7,092
Pro forma adjusted income before taxes	33,323
Adjusted income tax expense	(9,715)
Pro Forma Combined Adjusted Net Income	23,608
Net income attributed to non-controlling interests in subsidiaries	13,573
Pro Forma Combined Adjusted Net Income attributable to Alvarium Tiedemann	10,035
Net income attributed to non-controlling interests in subsidiaries	13,573
Adjustments related to joint ventures and associates (m)	2,029
Interest expense, net	11,340
Income tax expense	(4,553)
Adjusted income tax expense less income tax expense	14,268
Depreciation and amortization	9,783
Pro Forma Combined Adjusted EBITDA	$ 56,475
Pro Forma Earnings Per Share	
Basic	$ (0.08)
Diluted	$ (0.08)
Pro Forma Adjusted Net Income Per Share	
Basic	$ 0.17
Diluted	$ 0.15
Pro Forma Number of Shares Used in Computing Earnings Per Share and Adjusted Net Income Per Share	
Basic	57,488,068
Diluted – pro forma	57,488,068
Diluted – adjusted net income	67,895,822

(a) Represents add-back of the non-cash expense related to equity-based compensation to it employees.

(b) Represents adjustment for transaction expenses related to Cartesian's IPO and the Business Combination, in order to reflect our recurring performance. The amount represents $27.2 million of transaction expenses incurred by the Targets for the Year Ended December 31, 2022, $8.6 million of transaction expenses incurred by Cartesian for the Year Ended December 31, 2022, and a $12.3 million pro forma adjustment related to the recognition of success fees contingent on the closing of the Business Combination for the Year Ended December 31, 2022.

(c) Represents the change in unrealized gains/losses related primarily to the TWMH interest rate swap and Cartesian treasury bills.

(d) Represents add-back of unrealized (gains) / losses on strategic investments.

(e) Represents the change in the fair value of the warrant liability.

(f) Represents the change in the fair value of the conversion option liability.

(g) The amount is related to incremental compensation expense associated with the TIH acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH including the forgiveness of a promissory note.

(h) Represents the change in the TWMH Partner's payout related to the Business Combination.

(i) Add back of cash portion of the compensatory earn-ins related to the Holbein acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH. The $3.7 million of compensatory earn-ins is settled in 50% equity and 50% cash. Add back of equity portion of compensatory earn-ins of $1.9 million is included in the equity settled share-based payments combined EBITDA adjustment.

(j) Related to professional fees associated with an acquisition target. These costs are not related to the Business Combination.

(k) Represents adjustment for one-time payments made under long term incentive plan (LTIP).

(l) Represents adjustment for separation agreement expense recorded during the year ended December 31, 2022.

(m) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.

(Amounts in thousands)	Year Ended December 31, 2021
Pro Forma Combined Adjusted Net Income and Combined Adjusted EBITDA	
Pro forma net income attributed to Alvarium Tiedemann	$ 16,450
Pro forma net income attributed to non-controlling interests in subsidiaries	21,444
Pro forma net income	37,894
Income tax expense	6,553
Pro forma net income before taxes	44,447
Equity settled share based payments P&L(a)	5,533
Transaction expenses(b)	17,364
Legal settlement(c)	565
Impairment of equity method investment(d)	2,364
Change in fair value of (gains) / losses on investments (e)	(2)
Fair value adjustments to strategic investments(f)	(15,370)
Change in fair value of warrant liability(g)	(814)
Pro forma adjusted income before taxes	54,087
Adjusted income tax expense	(7,961)
Pro Forma Combined Adjusted Net Income	46,126
Net income attributed to non-controlling interests in subsidiaries	24,966
Pro forma Combined Adjusted Net Income attributable to Alvarium Tiedemann	21,160
Net income attributed to non-controlling interests in subsidiaries	24,966
Adjustments related to joint ventures and associates(h)	3,313
Interest expense, net	11,698
Income tax expense	6,553
Adjusted income tax expense less income tax expense	1,408
Depreciation and amortization	9,390
Pro Forma Combined Adjusted EBITDA	$ 78,489
Pro Forma Earnings Per Share	
Basic	$ 0.29
Diluted	$ 0.24
Pro Forma Adjusted Net Income Per Share	
Basic	$ 0.37
Diluted	$ 0.31
Pro Forma Number of Shares Used in Computing Earnings Per Share and Adjusted Net Income Per Share	
Basic	57,488,068
Diluted	67,895,822

(a) Represents add-back of the non-cash expense related to equity-based compensation to its employees.

(b) Represents adjustment for transaction expenses related to Cartesian's IPO and the Business Combination, in order to reflect our recurring performance. The amount represents $15.6 million of transaction expenses incurred by the Targets for the Year Ended December 31, 2021 and $1.8 million of transaction expenses incurred by Cartesian for the Year Ended December 31, 2021.

(c) Represents legal fees incurred in connection with a legal action that was settled in July 2021. For further detail on the legal settlement, refer to Note 13, "Legal settlement," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities.

(d) Represents the adjustment to an other-than-temporary impairment of the Tiedemann Constantia AG equity method investment.

(e) Represents the change in unrealized gains/losses related primarily to the interest rate swap.

(f) Represents add-back of unrealized (gains) / losses on strategic investments.

(g) Represents the change in the fair value of the warrant liability.

(h) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.

(Amounts in thousands)	Year Ended December 31, 2020
Pro Forma Combined Adjusted Net Income and Combined Adjusted EBITDA	
Pro forma net income (loss) attributed to Alvarium Tiedemann	$ 4,840
Pro forma net income attributed to non-controlling interests in subsidiaries	6,243
Pro forma net income (loss)	11,083
Income tax expense	1,916
Pro forma net income before taxes	12,999
Equity settled share based payments P&L [(a)]	1,154
Covid subsidies[(b)]	(976)
One-time bonuses[(c)]	2,200
Legal settlement[(d)]	6,313
Change in fair value of (gains) / losses on investments [(e)]	266
Fair value adjustments to strategic investments[(f)]	(7,670)
One-time fees and charges[(g)]	181
Pro forma adjusted net income before taxes	14,467
Adjusted income tax expense	(1,679)
Pro Forma Combined Adjusted Net Income	12,788
Net income attributed to non-controlling interests in subsidiaries	7,494
Pro forma Combined Adjusted Net Income (loss) attributable to Alvarium Tiedemann	5,294
Net income attributed to non-controlling interests in subsidiaries	7,494
Adjustments related to joint ventures and associates [(h)]	7,615
Interest expense, net	11,683
Income tax expense	1,916
Adjusted income tax expense less income tax expense	(238)
Depreciation and amortization	9,311
Pro Forma Combined Adjusted EBITDA	$ 43,075
Pro Forma Earnings Per Share	
Basic	$ 0.08
Diluted	$ 0.07
Pro Forma Adjusted Net Income (loss) Per Share	
Basic	$ 0.09
Diluted	$ 0.08
Pro Forma Number of Shares Used in Computing Earnings Per Share and Adjusted Net Income (loss) Per Share	
Basic	57,488,068
Diluted	67,895,822

(a) Represents add-back of the non-cash expense related to equity-based compensation to its employees.
(b) Represents COVID-19 subsidies received from UK, USA, Hong Kong and Singaporean governments.
(c) Represents a one-time bonus payment made to certain members in 2020.
(d) Represents an accrual related to a legal action that was settled in July 2021. For further detail on the legal settlement, refer to Note 13, "Legal settlement," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities.
(e) Represents the change in unrealized gains/losses related primarily to the interest rate swap.
(f) Represents the adjustment to add back unrealized (gains) / losses on strategic investments.
(g) Represents other one-time fees and charges that management believes are not representative of the operating performance.
(h) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.

HISTORICAL AND COMBINED NON-GAAP MEASURES OF TWMH, THE TIG ENTITIES AND ALVARIUM

Reconciliation of Combined Historical GAAP Financial Measures to Certain Combined Historical Non-GAAP Measures

Historically, we used Adjusted Net Income, Adjusted EBITDA, and Economic EBITDA as non-GAAP measures to track our performance and assess the companies' ability to service their borrowings. We believe the non-GAAP measures provide useful information to investors to help them evaluate historical operating results by facilitating an enhanced understanding of historical operating performance and enabling them to make more meaningful period to period comparisons. Adjusted Net Income, Adjusted EBITDA, and Economic EBITDA as presented within the Management's Discussion and Analysis of Financial Condition and Results of Operations sections of TWMH, the TIG Entities, and Alvarium are supplemental measures of historical performance that are not required by, or presented in accordance with, US GAAP, or UK GAAP. For more information, see "Non-GAAP Financial Measures" in TWMH and the TIG Entities' respective Management's Discussion and Analysis of Financial Condition and Results of Operations sections and "Non-UK GAAP Financial Measures" in Alvarium's Management's Discussion and Analysis of Financial Condition and Results of Operations section. The following tables present the reconciliation of historical and combined net income as reported in the historical Statements of Operations to Combined Adjusted Net Income, Combined Adjusted EBITDA, and Combined Economic EBITDA:

For the Year Ended December 31, 2022	TWMH	TIG Entities	Alvarium (a)	Total
Combined Adjusted Net Income, Combined Adjusted EBITDA, and Combined Economic EBITDA				
Net income before taxes	$ (5,471)	$ 42,244	$ (31,790)	$ 4,983
Equity settled share based payments P&L(b)(f)	4,223	—	—	4,223
Transaction expenses(c)	8,467	8,991	11,138	28,596
Change in fair value of (gains) / losses on investments (d)	(247)	—	—	(247)
Fair value adjustments to strategic investments(e)	—	(20,666)	1,212	(19,454)
Holbein compensatory earn-in (f)	1,858	—	—	1,858
One-time bonuses (g)	1,019	—	—	1,019
TWMH Partner's payout right (h)	3,662	—	—	3,662
Other one-time deal costs (i)	643	—	—	643
Long term incentive plan expenses (j)	—	—	13,170	13,170
Legal settlement (k)	—	—	7,092	7,092
Combined adjusted income before taxes	14,154	30,569	822	45,545
Adjusted income tax expense	(1,312)	(374)	5,709	4,023
Combined Adjusted Net Income	12,842	30,195	6,531	49,568
Adjustments related to joint ventures and associates(l)	—	—	2,029	2,029
Interest expense, net	427	2,593	7,007	10,027
Income tax expense	527	841	(5,939)	(4,571)
Adjusted income tax expense (benefit) less income tax expense	785	(467)	230	548
Depreciation and amortization	2,339	185	7,111	9,635
Combined Adjusted EBITDA	16,920	33,347	16,969	67,236
Affiliate profit-share in TIG Arbitrage(m)	—	(10,659)	—	(10,659)
Combined Economic EBITDA	$16,920	$ 22,688	$ 16,969	$ 56,577

(a) See Year Ended December 31, 2022 GAAP Bridge table below for an explanation of the conversions of Alvarium's historical net income to US GAAP and USD.

(b) Represents add-back of the non-cash expense related to equity-based compensation to it employees.

(c) Represents adjustment for transaction expenses related to the Business Combination, in order to reflect our recurring performance.

(d) Represents the change in unrealized gains/losses related primarily to the interest rate swap.

(e) Represents add-back of unrealized (gains) / losses on strategic investments.

(f) Add back of cash portion of the compensatory earn-ins related to the Holbein acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH. The $3.7 million of compensatory earn-ins is settled in 50% equity and 50% cash. Add back of equity portion of compensatory earn-ins of $1.9 million is included in the equity settled share-based payments combined EBITDA adjustment.

(g) The amount is related to incremental compensation expense associated with the TIH acquisition as discussed in Note 3, "Variable Interest Entities and Business Combinations" of the Notes to the Consolidated Financial Statements of TWMH including the forgiveness of a promissory note.

(h) Represents the change in the TWMH Partner's payout related to the Business Combination.

(i) Related to professional fees associated with an acquisition target. These costs are not related to the Business Combination.

(j) Represents adjustment for one-time payments made under long term incentive plan (LTIP).

(k) Represents adjustment for separation agreement expense recorded during the year ended December 31, 2022.

(l) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.

(m) Represents adjustment for the affiliate's profit-share participation in TIG Arbitrage Fund, as the TIG Entities' controlling shareholders are not entitled to such net income. The entire amount of net income earned from the TIG Arbitrage Fund is included within income in the Company's statement of operations, of which Class D-1 members are entitled to 49.37% of the pre-tax net profits and losses as discussed further in Note 11, "Members' Capital," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities. The profit-share participation is described in more detail under "Business of Alvarium Tiedemann—Fund Management Fees." Subsequent to the Business Combination, the Class D-1 equity interest will not be entitled to a 49.37% distribution of the results of TIG Arbitrage Fund. The Company has entered into a provisional agreement with the Class D-1 equity interest holder, which would provide the same economic benefits subsequent to the Business Combination as an employee of the TIG Entities. Subsequent to the Business Combination, the Class D-1 equity interest holder will become an employee of the TIG Entities, therefore will no longer receive distributions going forward but will receive compensation as an employee of the TIG Entities.

£ and $'000	Year Ended December 31, 2022 GBP UK GAAP	GAAP Bridge	GBP US GAAP	USD US GAAP(1)
Profit for the financial period before taxes	£(51,287)	£ 24,705	£(26,582)	$ (31,790)
Equity settled share-based payments (i)	—	—	—	—
Other one-time fees and charges (i)	9,036	—	9,036	11,138
Fair value adjustments to strategic investments (i)	1,027	—	1,027	1,212
LTIP (i)(ii)	30,898	(20,413)	10,485	13,170
One-time legal settlement	5,873	—	5,873	7,092
Adjusted income before taxes	(4,453)	4,292	(161)	822
Adjusted income tax expense	846	3,976	4,822	5,709
Adjusted Net Income	(3,607)	8,268	4,661	6,531
Joint ventures - Group share of Adjusted EBITDA (i)	2,185	(643)	1,542	1,938
Associates - Group share of Adjusted EBITDA (i)	149	(74)	75	91
Interest expense, net	5,763	—	5,763	7,007
Income tax (benefit) / expense	(4,770)	(247)	(5,017)	(5,939)
Adjusted income tax expense less income tax expense (benefit)	3,924	(3,729)	195	230
Depreciation and amortization	9,323	(3,522)	5,801	7,111
Adjusted EBITDA	**£ 12,967**	**£ 53**	**£ 13,020**	**$ 16,969**

(1) Represents adjustments made to convert Alvarium balances from GBP to USD at a quarterly average rate for the quarters ended March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022.

(i) Refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations of Alvarium" found elsewhere in this Current Report on Form 8-K for footnotes related to Adjusted EBITDA adjustments.

(ii) Under FRS 102, equity settled share-based payments are recognised when it becomes probable that their performance conditions will be met. Under UK GAAP, the full share award of £20,413,653 was recognised on 30th December 2022 when the business combination with Cartesian Growth Corporation became more than 50% probable. Under ASC 718, equity settled share-based payments are recognized over the requisite service period of a share award and are dependent on the service, performance, and market conditions associated with the award. Given the Share Awards contain a performance condition contingent on of the completion of the business combination, no share award should be recognised under US GAAP until the business combination occurred on January 3, 2023. The share award of £20,413,653 has thereby been reversed.

For the Year Ended December 31, 2021	TWMH	TIG Entities	Alvarium (a)	Total
Combined Adjusted Net Income, Combined Adjusted EBITDA, and Combined Economic EBITDA				
Net income before taxes	$ 4,306	$ 70,006	$ 8,030	$ 82,342
Equity settled share based payments P&L (b)	5,532	—	1	5,533
Transaction expenses (c)	4,633	2,033	8,898	15,564
Legal settlement (d)	—	565	—	565
Impairment of equity method investment (e)	2,364	—	—	2,364
Change in fair value of (gains) / losses on investments (f)	(2)	—	—	(2)
Fair value adjustments to strategic investments (g)	—	(15,444)	74	(15,370)
Combined adjusted income before taxes	16,833	57,160	17,003	90,996
Adjusted income tax expense	(1,016)	(943)	(4,600)	(6,559)
Combined Adjusted Net Income	15,817	56,217	12,403	84,437
Adjustments related to joint ventures and associates (h)	—	—	3,313	3,313
Interest expense, net	398	2,240	2,211	4,849
Income tax expense	515	1,457	4,586	6,558
Adjusted income tax expense (benefit) less income tax expense	501	(514)	14	1
Depreciation and amortization	2,052	165	2,273	4,490
Combined Adjusted EBITDA	19,283	59,565	24,800	103,648
Affiliate profit-share in TIG Arbitrage (i)	—	(25,080)	—	(25,080)
Combined Economic EBITDA	$19,283	$ 34,485	$24,800	$ 78,568

(a) See Year Ended December 31, 2021 GAAP Bridge table below for an explanation of the conversions of Alvarium's historical net income to US GAAP and USD.

(b) Represents add-back of the non-cash expense related to equity-based compensation to its employees.

(c) Represents adjustment for transaction expenses related to Cartesian's IPO and the Business Combination, in order to reflect our recurring performance.

(d) Represents legal fees incurred in connection with a legal action that was settled in July 2021. For further detail on the legal settlement, refer to Note 12, "Legal settlement," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities.

(e) Represents the adjustment to an other-than-temporary impairment of the Tiedemann Constantia AG equity method investment.

(f) Represents the change in unrealized gains/losses related primarily to the interest rate swap.

(g) Represents add-back of unrealized (gains) / losses on strategic investments.

(h) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.

(i) Represents adjustment for the affiliate's profit-share participation in TIG Arbitrage Fund, as the TIG Entities' controlling shareholders are not entitled to such net income. The entire amount of net income earned from the TIG Arbitrage Fund is included within income in the Company's statement of operations, of which Class D-1 members are entitled to 49.37% of the pre-tax net profits and losses as discussed further in Note 10, "Members' Capital," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities. The profit-share participation is described in more detail under "Business of Alvarium Tiedemann—Fund Management Fees." Subsequent to the Business Combination, the Class D-1 equity interest will not be entitled to a 49.37% distribution of the results of TIG Arbitrage Fund. The Company has entered into a provisional agreement with the Class D-1 equity interest holder, which would provide the same economic benefits subsequent to the Business Combination as an employee of the TIG Entities. Subsequent to the Business Combination, the Class D-1 equity interest holder will become an employee of the TIG Entities, and therefore will no longer receive distributions going forward but will receive compensation as an employee of the TIG Entities.

£ and $'000	Year Ended December 31, 2021 GBP UK GAAP	GAAP Bridge	GBP US GAAP	USD US GAAP(1)
Profit for the financial period before taxes	£ 1,411	£ 4,428	£ 5,839	$ 8,030
Equity settled share-based payments (i)	1	—	1	1
COVID-19 subsidies (i)	—	—	—	—
Other one-time fees and charges (i)	6,471	310	6,781	8,898
Fair value adjustments to strategic investments (i)	54	—	54	74
Adjusted income before taxes	7,937	4,738	12,675	17,003
Adjusted income tax (benefit) / expense	526	(3,870)	(3,344)	(4,600)
Adjusted Net Income	8,463	868	9,331	12,403
Joint ventures - Group share of reported EBITDA (i)	3,003	(643)	2,360	3,247
Associates - Group share of reported EBITDA (i)	116	(68)	48	66
Interest expense, net	1,608	—	1,608	2,211
Income tax (benefit) / expense	(537)	3,870	3,333	4,586
Adjusted income tax expense less income tax expense (benefit)	11	—	11	14
Depreciation and amortization	6,276	(4,623)	1,653	2,273
Adjusted EBITDA	**£18,940**	**£ (596)**	**£18,344**	**$24,800**

(1) Represents adjustments made to convert Alvarium balances from GBP to USD at a 1.0000 to 1.3757 conversion ratio.

(i) Refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations of Alvarium" for footnotes related to Adjusted EBITDA adjustments.

For the Year Ended December 31, 2020	TWMH	TIG Entities	Alvarium (a)	Total
Combined Adjusted Net Income, Combined Adjusted EBITDA, and Combined Economic EBITDA				
Net income (loss) before taxes	$ 7,483	$ 43,306	$ (4,385)	$ 46,404
Equity settled share based payments P&L (b)	1,145	—	9	1,154
Covid subsidies (c)	—	—	(976)	(976)
One-time bonuses (d)	2,200	—	—	2,200
Legal settlement (e)	—	6,313	—	6,313
Change in fair value of (gains) / losses on investments (f)	266	—	—	266
Fair value adjustments to strategic investments (g)	—	(7,670)	—	(7,670)
One-time fees and charges (h)	—	—	181	181
Combined adjusted income before taxes	11,094	41,949	(5,171)	47,872
Adjusted income tax expense	(641)	(694)	1,199	(136)
Combined Adjusted Net Income	10,453	41,255	(3,972)	47,736
Adjustments related to joint ventures and associates (i)	—	—	7,615	7,615
Interest expense, net	384	2,363	617	3,364
Income tax expense / (benefit)	497	748	(1,050)	195
Adjusted income tax expense (benefit) less income tax expense	144	(54)	(149)	(59)
Depreciation and amortization	1,914	165	2,153	4,232
Combined Adjusted EBITDA	13,392	44,477	5,214	63,083
Affiliate profit-share in TIG Arbitrage (j)	—	(19,999)	—	(19,999)
Combined Economic EBITDA	$13,392	$ 24,478	$ 5,214	$ 43,084

(a) See Year Ended December 31, 2020 GAAP Bridge table below for an explanation of the conversions of Alvarium's historical net income to US GAAP and USD.

(b) Represents add-back of the non-cash expense related to equity-based compensation to its employees.
(c) Represents COVID-19 subsidies received from UK, USA, Hong Kong and Singaporean governments.
(d) Represents a one-time bonus payment made to certain members in 2020.
(e) Represents an accrual related to a legal action that was settled in July 2021. For further detail on the legal settlement, refer to Note 12, "Legal settlement," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities.
(f) Represents the change in unrealized gains/losses related primarily to the interest rate swap.
(g) Represents add-back of unrealized (gains) / losses on strategic investments.
(h) Represents other one-time fees and charges that management believes are not representative of the operating performance, which includes costs incurred in negotiating surrender and new lease in London office, professional fees related to this Transaction. One-time fees and charges incurred are included in administrative expenses in the Consolidated Statement of Comprehensive Income.
(i) Represents Alvarium's share of joint ventures and associates Adjusted EBITDA.
(j) Represents adjustment for the affiliate's profit-share participation in TIG Arbitrage Fund, as the TIG Entities' controlling shareholders are not entitled to such net income. The entire amount of net income earned from the TIG Arbitrage Fund is included within income in the Company's statement of operations, of which Class D-1 members are entitled to 49.37% of the pre-tax net profits and losses as discussed further in Note 10, "Members' Capital," of the Notes to the Combined and Consolidated Financial Statements of the TIG Entities. The profit-share participation is described in more detail under "Business of Alvarium Tiedemann—Fund Management Fees." Subsequent to the Business Combination, the Class D-1 equity interest will not be entitled to a 49.37% distribution of the results of TIG Arbitrage Fund. The Company has entered into a provisional agreement with the Class D-1 equity interest holder, which would provide the same economic benefits subsequent to the Business Combination as an employee of the TIG Entities. Subsequent to the Business Combination, the Class D-1 equity interest holder will become an employee of the TIG Entities, therefore will no longer receive distributions going forward but will receive compensation as an employee of the TIG Entities.

	Year Ended December 31, 2020			
£ and $'000	**GBP UK GAAP**	**GAAP Bridge**	**GBP US GAAP**	**USD US GAAP (1)**
Profit (loss) for the financial period before taxes	£(3,693)	£ 280	£(3,413)	$ (4,385)
Equity settled share-based payments (i)	7	—	7	9
COVID-19 subsidies (i)	(760)	—	(760)	(976)
Other one-time fees and charges (i)	141	—	141	181
Fair value adjustments to strategic investments (i)	—	—	—	
Adjusted income (loss) before taxes	(4,305)	280	(4,025)	(5,171)
Adjusted income tax expense (benefit)	458	502	960	1,199
Adjusted Net Income	(3,847)	782	(3,065)	(3,972)
Joint ventures - Group share of Adjusted EBITDA (i)	2,022	3,855	5,877	7,551
Associates - Group share of Adjusted EBITDA (i)	124	(74)	50	64
Interest expense, net	481	—	481	617
Income tax benefit	(315)	(502)	(817)	(1,050)
Adjusted income tax expense (benefit) less income tax benefit	(143)	0	(143)	(149)
Depreciation and amortization	6,357	(4,681)	1,676	2,153
Adjusted EBITDA	**£ 4,679**	**£ (620)**	**£ 4,058**	**$ 5,214**

(1) Represents adjustments made to convert Alvarium balances from GBP to USD at a 1.0000 to 1.2848 conversion ratio.
(i) Refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations of Alvarium" found elsewhere in this Current Report on Form 8-K for footnotes related to Adjusted EBITDA adjustments.