INIZIO GROUP LIMITED
(FORMERLY HUNTER HOLDCO 3 LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REGISTERED NUMBER: 12487650

Table of Contents

Strategic Report

The Directors present their Strategic Report for Inizio Group Limited (the 'Company') and its subsidiaries (together, the 'Group') together with the audited Group and Company financial statements, for the year ended 31 December 2022. Inizio Group Limited was formerly Hunter Holdco 3 Limited. The Company authorised a resolution to change the Company name to Inizio Group Limited on 19 July 2022.

Company Overview

The Company was formed as part of the process of Clayton Dubilier & Rice ('CD&R') acquiring a controlling interest in the Huntsworth Group of companies ('Huntsworth') on 1 May 2020 and the subsequent acquisition of UDG Healthcare plc ("UDG") on 16 August 2021. This created a combined organisation now over 12,500 people – including 700 PhDs and 850 nurses – in 50 countries across five business units, each comprising best-in-class companies dedicated to our mission of reimagining health. In June 2022, UDG and Huntsworth brought together their expertise and capabilities by launching a single global brand – Inizio. With this scale and depth of expertise, Inizio offers a full molecule-to-market proposition, and a complete suite of marketing, medical, advisory, communications, and patient-engagement services.

Inizio has established partnerships with every major global pharma and biotech company including relationships at least a decade long with our 10 biggest clients. Our dedicated biotech offering partners with emerging biotech companies to help maximise value creation milestones by providing access to best-in-class expertise when needed along the clinical development and commercialisation journey.

Our five specialist business units support health and life science companies from early discovery to making a difference in the lives of patients:

Inizio Medical

Inizio Medical creates compelling content and engage communities across the spectrum of healthcare. Inizio Medical combines the power of three of the largest medical communications companies; Nucleus Global, ApotheCom and Ashfield MedComms . All three are underpinned by best-in-industry medical analytics capabilities, applied artificial intelligence ("AI") tools and medical consulting. They advance scientific understanding and pioneer new ways of partnership for pharmaceutical companies.

Inizio Advisory

Inizio Advisory is a trusted advisor for health and life science companies that turns science into strategy, supporting execution at every stage of the product and patient journey from early commercialisation to launch and beyond.

Inizio Engage

Inizio Engage creates personalised experiences that deliver improved treatment outcomes. Underpinned by best-in-class technology and advanced data and analytics, Inizio Engage partners with pharmaceutical clients to create impactful solutions for healthcare audiences including patients, payers, and providers, across all channels

Inizio MarComms

Inizio MarComms, represented by Evoke, is a global brand, experience, and communications platform, purpose-built to make health more human™. Powered by industry-led experts working together in practice areas and specialty agencies, Evoke provides seamless access to a uniquely comprehensive offering and one of the industry's deepest and most dynamic collections of talent.

Accordience

Accordience is a distinctive communications group that uniquely combines best-in-class, specialist consultancy with the scale to operate at pace both globally & locally.

Company Overview (continued)

In line with our strategic roadmap, we have continued to selectively acquire key capabilities that enable the realisation of our organisation ambition. Inizio acquired six strategic and complementary businesses in 2022: Propensity4, Research Partnership, MeltMedia, Evolution Road, Cirkle and Advicepartners.

- **Propensity4**, a 'smart data' organisation and leader in the healthcare insights and analytics arena, has joined **Inizio Engage**. The acquisition further enhances Inizio Engage's capability to apply analytical expertise to existing data to redesign programmes which increase return on investment across commercial, patient engagement and medical affairs services, and improve patient outcomes.
- **Research Partnership,** a leading global healthcare market research and insights company, was acquired to join **Inizio Advisory.** The acquisition significantly strengthens and complements the existing Inizio Advisory offering and Research Partnership will form a new specialist pillar within the business.
- **MeltMedia,** an award-winning provider of digital strategy, design, and development services to the life science industry, has joined **Inizio MarComms**. The acquisition expands the strength and capabilities of Inizio MarComm's omnichannel marketing, digital transformation, and marketing technology and automation practices.
- **Evolution Road**, a digital innovation company in life science omnichannel, digital marketing and digital health strategy, has joined **Inizio MarComms**. Evolution Road enhances Inizio MarComm's commercial innovation offering, digital health solutions, and end-to-end omnichannel suite of services.
- **Cirkle** and **Advicepartners** were acquired to broaden the offering of the Accordience division.

Financial Review

On a statutory basis, the Group made a loss from continuing operations of $416.4 million (2021: $188.6 million) after highlighted items of $546.2 million (2021: $267.4 million), net interest costs of $178.9 million (2021: $105.4 million) and tax charge of $0.7 million (2021: credit of $2.9 million).

A summary of the Group's results is shown below:

$m	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Gross Revenue		
MarComms	**505.0**	343.6
Medical	**390.1**	278.4
Advisory	**309.2**	99.7
Engage	**748.4**	298.6
Accordience	**148.9**	150.7
Total operations	**2,101.6**	1,171.0
Operating profit before highlighted items		
MarComms	**100.0**	67.5
Medical	**103.6**	73.3
Advisory	**69.2**	20.9
Engage	**80.0**	27.2
Accordience	**15.5**	17.7
Total operations	**368.3**	206.6
Central costs	**(59.0)**	(25.2)
Operating profit before highlighted items	**309.3**	181.4
Depreciation and amortisation	**38.2**	28.9
Adjusted EBITDA	**347.5**	210.3

Financial Review (continued)

Revenue

Revenues were $2,101.6 million (2021: $1,171.0 million).

On a divisional basis, 35% (2021: 26%) of revenue came from Engage, 24% (2021: 29%) from MarComms, 19% (2021: 24%) from Medical, 15% (2021: 8%) from Advisory and 7% (2021: 13%) from Accordience.

Geographically, 63% (2021: 58%) of revenue was from North America, 27% (2021: 28%) from the United Kingdom (UK), 8% (2021: 11%) from Europe and 2% (2021: 3%) from Rest of World (RoW).

Operating profit

Operating profit was $309.3 million (2021: $181.4 million), or a loss of $236.8 million (2021: $86.0 million) after highlighted items.

Before highlighted items, margins were 20% (2021: 20%) for MarComms, 27% (2021: 26%) for Medical, 22% (2021: 21%) for Advisory, 11% (2021: 9%) for Engage, 10% (2021: 12%) for Accordience and 15% (2021: 15%) for the Group as a whole.

On a divisional basis, 27% (2021: 33%) of operating profit came from MarComms, 28% (2021: 35%) from Medical, 19% (2021: 10%) from Advisory, 22% (2021: 13%) from Engage and 4% (2021: 9%) from Accordience.

The increase in revenue and operating profit is due to the acquisition of UDG on 16 August 2021.

Acquisitions

The Group made six acquisitions during the year for a total consideration of $299.5 million, through cash on acquisition and deferred contingent consideration.

On 28 February 2022, the Group purchased the remaining 80% of Propensity4, a 'smart data' organisation and leader in the healthcare insights and analytics arena and on the same date, the Group also purchased Research Partnership, a leading global healthcare market research and insights company. On 1 May 2022, the Group purchased MeltMedia, an award-winning provider of digital strategy, design, and development services to the life science industry. On 21 November 2022, the Group purchased Evolution Road, a digital innovation company in life science omnichannel, digital marketing and digital health strategy. Two acquisitions were made under our Accordience division, Advice Partners on 30 May 2022, a public affairs business registered in Germany and Cirkle Partnership, a UK based PR agency business on 1 April 2022.

On 16 August 2021, the Group acquired 100% of the share capital of UDG Healthcare plc (UDG) for $3,995 million. Following the acquisition, UDG subsequently delisted from the Main Market of the London Stock Exchange.

Cash flow and net debt

Adjusted cash from operations was $282.0 million (2021: $206.0 million). Cash conversion of adjusted EBITDA after capex was 78% (2021: 88%).

Free cash flow was an outflow of $111.2 million (2021: $24.6 million). This includes tax paid on the prior year disposal of the Sharp business of $115.9 million.

The resulting net debt (excluding prepaid loan fees) at year-end was $2,575.3 million (2021: $2,279.9 million).

Tax

The total tax charge is $0.7 million (2021: $119.2 million consisting of a credit of $2.9 million on continuing operations and a charge of $122.0 million on discontinued operations). The charge consists of $42.4 million (2021: $16.0 million) relating to underlying operations and a credit of $41.7 million (2021: charge of $103.1 million) relating to highlighted items. The full year underlying tax rate is 32% (2021: 19%).

Net corporation tax paid in the year was $155.2 million (2021: $15.7 million).

Financial Review (continued)

Highlighted items

Highlighted items in the year totaled $546.2 million, broken down as follows:

$m	Year ended 31 Dec 2022	Year ended 31 Dec 2021
Amortisation of acquired intangible assets	**128.7**	62.7
Acquisition and transaction-related costs	**9.9**	159.6
Remeasurement of deferred consideration and redemption liabilities	**1.1**	21.8
Restructuring and integration costs	**51.2**	22.8
Investment in financial systems	**5.6**	2.8
Impairment of intangibles and goodwill	**354.9**	-
Equity accounted investment impairment	**8.6**	-
Foreign exchange gain on long term loans	**(15.1)**	-
Management incentive plan charge	**1.3**	-
Disposal-related income	**-**	(2.3)
Total highlighted items	**546.2**	267.4

A significant proportion of highlighted items ($354.9 million) relates to the impairment of goodwill and intangible assets attributable to the Advisory and Engage CGUs. An impairment loss ($8.6 million) has also been recognised on the investment in a joint venture. The impairment losses are a result of increased discount rates compared to the prior year as risk free rates have risen.

Further significant charges include $128.7 million related to the amortisation of acquired intangible assets which increased on prior year due to a full financial year amortisation of intangibles that were acquired on the UDG acquisition completed in 2021. Acquisition and transaction-related costs incurred related to costs associated with the acquisition of new subsidiaries during the year, while a charge of $1.1 million was incurred in revaluing the deferred consideration and redemption liabilities held in respect of historic acquisitions. Following the acquisition of UDG in 2021, the Group has undertaken a restructuring programme to review its global office footprint, consolidate office locations, and reorganise its functional workforce to drive future growth. This restructuring programme has resulted in a charge of $51.2 million. Investment in financial systems relate to one off costs primarily associated with the implementation of Oracle Fusion, Oracle EPM and Financial Force across the Group. An unrealised foreign exchange gain of $15.1 million has been recognised on non-US Dollar denominated long term loans.

Foreign exchange

The Group operates in 50 countries, with its primary foreign exchange exposure being the translation of local income statements and balance sheets into US dollar for Group reporting purposes. The average 2022 exchange rates were $1: £0.81 and $1: €0.95 (2021: $1: £0.73 and $1: €0.84). Included within operating profit is a foreign exchange gain of $19.0 million (2021: $1.4 million), $15.1 million of which has been recognised within highlighted items.

Group outlook

The Group remains focused on enhancing the services it provides to its healthcare clients by developing and adding capabilities, both through acquisition and through organic investment. The past twelve months have been transformational for Inizio – we have completed integration and launched our new brand in the market – all while delivering robust and sustainable double-digit growth across our business and setting a course to deliver an ambitious strategic intent for the next three years. The Group's balance sheet remains strong, supported by good cash generation, which leaves the Group well positioned for future growth.

Market

The Group serves the health and life sciences markets, providing a full suite of advisory, medical, marketing, communications and patient and stakeholder engagement services. There are key trends and drivers in the healthcare marketplace which provide a robust backdrop for the Group's performance.

The world is getting older
Within 10 years there will be one billion individuals over the age of 60. Over the next thirty years the changes will be even more significant, with global life expectancy rising by 8 years, the number of over- 65 year olds doubling and the number of over-80 year olds tripling.

The world is needing more healthcare
Demand for healthcare is rising globally, and especially quickly in the US. 133 million Americans currently have at least one chronic disease, a number expected to rise to 164 million in the next 10 years.

Pharma growth is resilient
The market for prescription drugs is expected to grow at 7% through to 2025, supporting the growth of the healthcare communications market. The orphan drugs market, which is an area of strength for the Group, and which is expected to grow at 12% CAGR to 2027, will require more specialist and scientific medical communications together with digitally targeted marketing campaigns.

Healthcare is becoming more digital
Pharma is embracing digital transformation as healthcare providers and consumers are both becoming increasingly digital. Healthcare professionals are twice as likely to use online sources than print when making clinical decisions. Globally, over 60% of people use the internet to search for advice on health, medicines or medical conditions, a figure which rises to 80% in the US.

The healthcare ecosystem is expanding
There is continued positive disruption through the advent of personalised medicine and therefore the rise of genomics forming the basis of asset development and providing solutions for smaller populations of patients. There are also new technological advances which create increased demand for the support of specialist agencies like those within the Group.

Business Model

Resources and relationships

Strong brands

The Group's businesses operate under a range of strong, well-respected brands culminating under the Group's Inizio brand and value proposition. Brands continue to be essential in a market which places a premium on trustworthy, quality businesses.

Experienced talent

The experience, knowledge and creativity of the Group's people is integral to its success. The Group has in place employment policies and practices that enable us to attract, retain and develop our talent and ensure the Group retains its market-leading position.

Robust client base

The Group works with a range of longstanding clients, big and small. In our Healthcare divisions we work with the biggest pharma companies in the world, including all of the top 20, as well as a number of smaller, nimble biotech companies. In our Accordience division we work with a range of blue-chip companies and household names.

Global network

All of our businesses operate globally which means that we can be where our clients are. Whilst each business is focused on the specific needs of its clients, we can operate integrated teams – within or across our divisions – to address challenges that require a multidisciplinary solution.

Enabling growth

The Group enables innovation and growth in its agencies through organic investment, M&A activity, and investment in systems architecture and business infrastructure to support the Inizio strategy.

Returns generated

Revenue growth

Our strong brands, quality people and global network combine to support revenues which are both resilient and which can grow sustainably. Growth in revenue sustains the long-term growth in the earnings of the business.

Profit growth

Growth in profits is driven by revenue growth, a continued focus on operational and cost efficiencies, and a focus on higher margin work. The Group's margins are strong and are expected to improve over time as a result of these factors and the realisation of the Inizio strategy.

Cashflow

Strong operating cashflows are underpinned by good profit generation combined with sensible working capital management. Our businesses deliver to sustainable but tightly managed working capital targets which delivers both visibility over cashflows and ensures that we minimise our debt requirements. Short and long term cashflow forecasting also ensures that we continue to operate well within our facility limits whilst delivering an optimum capital structure. The Group delivered strong cash conversion of 78% during the period.

Business Model (continued)

Stakeholder outcomes

Customers

We help our customers engage, adapt and evolve in fast-changing landscapes, building brand resilience and creating measurable advantage to achieve their business objectives. We support from Phase 2 to loss of exclusivity ("LOE") from clinical development to launch to commercialisation, launching products for large, mid-sized health and life sciences companies or emerging biotech.

Employees

Our employees benefit from working in a stimulating and rewarding environment, doing high quality work alongside talented colleagues. Our employees enjoy flexible office working and have access to a number of training initiatives, as well as an annual appraisal and performance evaluation, to further their development.

Investors

We aim to maximise value for our owners through sustainable growth in earnings and cashflows. Refer to the Corporate Governance Report for more detail on how we consider stakeholder interest.

Strategy & Key Performance Indicators

Inizio has defined a combined organisation strategy to guide the strategic evolution and development of our business over the coming three years. The development of this strategy is rooted in a deep understanding of our client needs and preferences, as well as the market forces shaping our sector. There are four strategic pillars guiding this ambition:

1. Deepen our Market Share

   KPI: Revenue growth

   Revenues were $2,101.6 million, representing an increase of 79.5% from $1,171.0 million in 2021. The largest contributing factor to this increase was the acquisition of UDG on 16 August 2021.

2. Innovate our Offering

   KPI: Operating profit before highlighted items

   As the Group moves into higher value service offerings we expect to see margin progression. Group margins before highlighted items retained at 15% in 2022. Certain divisions delivered good margin progression in the year:

   Medical: 26% to 27%

   Advisory: 21% to 22%

   Engage: 9% to 11%

3. Transform through our People

   KPI: Headcount

   Increase in average number of employees of 4,299 to over 10,000 in 2022. The largest contributing factor to this increase was the acquisition of UDG on 16 August 2021.

4. Scale our Business

   KPI: Enterprise value acquired

   The six acquisitions in the year have strengthened Inizio's offering in several key areas including healthcare market research and insights and digital health strategy.

Principal Risks & Uncertainties

The Company is an indirect subsidiary of Inizio Topco Limited which is the operational parent company of Inizio during 2022. The Board of Directors of both the Company and Inizio Topco Limited comprise the same individuals and references in this report to the Board include the work of the boards of both companies.

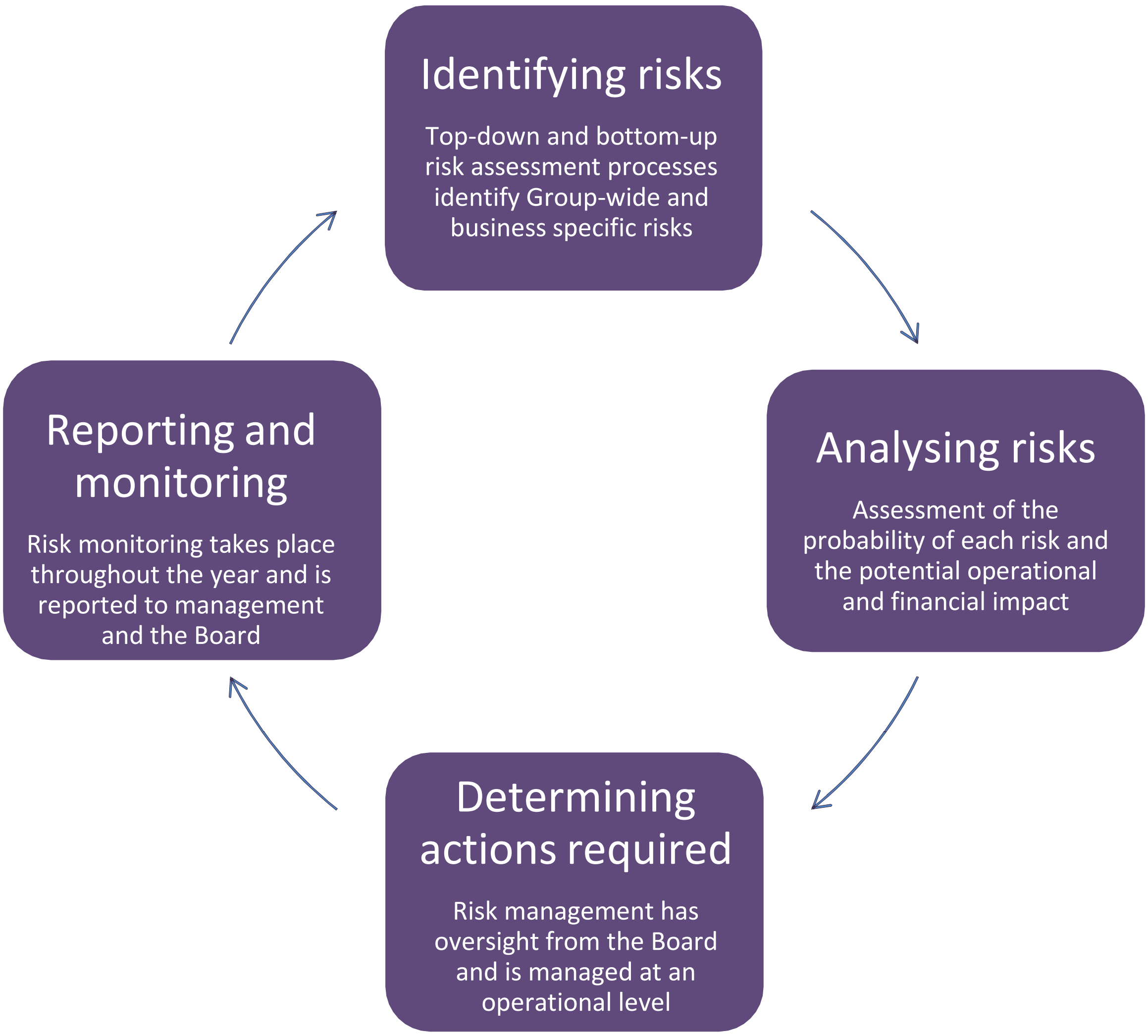
The Board has ultimate responsibility for establishing, monitoring, and maintaining the Group's risk management and internal control systems. These systems are designed to enable the Board to be confident that such risks are mitigated or controlled to the extent possible, although no system can eliminate risks entirely.

In 2022 the Group introduced an enterprise risk assessment process to identify, evaluate and manage the key strategic, operational and financial risks it faces. The Board received and probed the results of the process and is now in a more informed position to deploy appropriate resources to manage and mitigate the Group's principal risks and to further define risk appetite.

The existing risk management approach identifies risks to the Group using both a bottom-up and top-down approach, encompassing risks arising from our macro environment and strategic and operational priorities.

The likelihood and impact of each risk is determined using a risk scoring system. Indicators have been identified to assist in determining the Group's risk appetite and to determine whether it is operating within it. Ongoing monitoring and testing of the controls in place to mitigate the risks identified provides additional assurance. All risks are described and rated within the Group's risk register solution which affords on-demand reporting.

Further details of the risk management processes undertaken in 2022 are included in the Corporate Governance Report.



Principal Risks & Uncertainties (continued)

Risk & Impact	Mitigating factors
Economic, political, legislative, regulatory & tax changes Global and regional macroeconomic, political, legislative, regulatory, and taxation changes could have a detrimental impact on our client base, the markets in which they operate, the services the Group can offer them, and our operations in various markets.	The Group continually reviews its portfolio of investments through its strategic review process and through constant challenge at the Executive Council and Board levels. Acquisitions and new service offerings are sought which improve the balance of our investments and give greater exposure to innovative and growing market segments.
Clients: diversification of As the Group's activities consolidate and acquisitions are completed, the Group's client base may become more concentrated, making the Group susceptible to competitive, client merger, or procurement threats. In addition, as our US client opportunities and investments grow, the Group could be relatively more exposed to a downturn in the US healthcare sector.	An Enterprise-Level procurement client interface has been established. This capability is focused on maximising the commercial positioning and offerings of Inizio within priority clients in an intentional and forward-looking manner. In respect of M&A, the impact of a potential acquisition on our business and client concentration is also considered as part of the assessment process. Activities are reviewed by the Executive Team and Business Unit management teams within our governance and reporting framework to proactively manage our business. Continual assessment of our client and market context help to mitigate against potential risks of client consolidation.
Clients: evolving our services to The continued success of the Group is dependent upon the development and delivery of innovative offerings to our clients. An inability to precisely predict client and market trends, and develop and deliver such innovation, would be a risk to our market leading positions in the various sectors in which we operate. The Group needs to be proactive in identifying and delivering solutions to changing client needs. Failure to innovate can result in loss of market share, client losses, and pressures on pricing, which individually or collectively can impact revenue and margins.	Informed by custom market research and external consulting advice on trends and dynamics, the areas of greatest unmet customer need and potential commercial value has been identified for each Business Unit. The realisation of innovation initiatives is reviewed by the Executive Council and Business Unit management teams within our governance and reporting framework to proactively manage alignment with business and client benefits.

Risk & Impact	Mitigating factors
Clients: their outsourcing strategies The Group's activities may be impacted by changes to pharma company outsourcing strategy, such as pharma companies reducing their roster of preferred vendors, or the wholesale outsourcing to companies that meet all of their service requirements.	Across the Group there is a strategic imperative for the Business Units to deepen and diversify our market share across key client segments in terms of therapeutic areas, brands, geographies, and client accounts. In addition to the focus on deepening market share, the value of this focus is also to intentionally position Inizio as that go-to, trusted and value-add partner for clients should there be an opportunity to consolidate relationships. This messaging will be reinforced by our Branding and Marketing strategy within our key customer segments. Additionally, the enterprise-level procurement/client interface that has been established and is specifically focused on maximising Inizio's commercial positioning at an enterprise level should also help to mitigate against such risks relating to changing outsourcing strategies.
Sustainability Failure to meet regulatory and ethical expectations from clients, employees and our broader stakeholders base on all sustainability matters and in particular environmental impact which could lead to reputational and financial damage to the Group.	The Group monitors a number of key sustainability-related metrics and continually seeks to improve our performance against them. For additional information please visit inizio.health > What matters to us > Sustainability (https://inizio.health/what-matters-to-us/policies)
Value generation from acquisitions Acquisitive growth is a core element of the Group's strategy. A failure to execute and properly integrate acquisitions may impact the Group's projected revenue growth and value along with its ability to capitalise on the synergies they bring and/or to maintain and develop the associated talent pool.	All potential acquisitions are assessed and evaluated to ensure that the Group's defined strategic and financial criteria are met. A discrete integration process and post integration review is developed for each acquisition. These processes are supported by experienced management with a view to achieving identified benefits, cultivating talent, and minimising general and specific integration risks. Additionally, and in tandem with the receipt of contractual warranties and indemnities, the total consideration paid for a business typically includes an element of deferred consideration contingent upon future performance, thereby mitigating the risk of the Group overpaying for an acquisition.

Risk & Impact	Mitigating factors
Talent management The success of the Group is built upon a skilled talent base and effective leadership teams that together consistently deliver superior outcomes for our clients. If the Group cannot attract, retain, and develop suitably qualified, experienced, and motivated employees, this could have an impact on our business performance.	The Group carries out performance management and succession planning to identify assess, develop, and retain our employees. In addition, the group provides the opportunity of promotion and stretch assignments. A range of incentive plans are offered to motivate and retain key contributors. We also carry out employee engagement surveys, with a series of questions designed to gather data around employee experience and satisfaction. Our Remuneration Committee reviews the nature and extent of the incentive plans offered to key individuals to ensure that the risk of talent loss is minimised. Additionally, restrictive covenants where legally enforceable are included in employee contracts.
Legal & contract risks The underlying terms of the Group's commercial relationships drive the profitability of the Group. The nature of the Group's business means we could be exposed to undue cost or liability if onerous terms with our clients or suppliers are agreed to.	The Group has adopted and is continuously improving our policies and control processes for identifying and mitigating against undue risks in all prospective commercial relationships, supported by personnel with expertise and/or experience in key contract and commercial risk areas.
Regulatory & compliance risks The Group must meet many regulatory and compliance obligations, including in respect of: (a) protection of patient information (such as the Health Insurance Portability and Accountability Act “HIPAA” and General Data Protection Regulation “GDPR”); and (b) patient and employee health and safety. Any failure to adhere to such requirements, including imposed sanctions on the supply of services to certain individuals, businesses, and countries, could lead to reputational as well as financial damage to the Group. Deficiencies could also result in regulatory restrictions, financial penalties, the inability to operate, or services which result in patient harm, potentially giving rise to significant liability.	Maintenance of regulatory, quality and compliance standards are a core value of the Group. Patient programmes are reviewed to ensure compliance with regulation and codes of practice, and are subject to regular assessment by our Quality, Risk & Compliance teams. Data protection training, gap analyses and auditing continues across our global locations with a focus on the Group’s requirements and local personal data protection compliance. Ethics-related policies including Anti-Bribery and Corruption, Human Rights, and Diversity, Equity and Inclusion are enveloped by our Codes of Conduct.

Risk & Impact	Mitigating factors
IT systems adequacy The ability of the Group to support operations and provide our services effectively and competitively is dependent upon technology and information systems that are appropriately integrated and that meet current and anticipated future business, regulatory and security requirements. Information systems deficiencies could negatively impact the Group's operations, including delays to client deliveries.	The Group's technology and information systems and infrastructure are the subject of an ongoing programme to ensure that they can meet the Group's strategic intent and future requirements. Governance procedures are in place and are continuously being strengthened to ensure alignment with the strategic direction of the Group.
Cyber security/resilience Global threats to individuals and businesses continue to rise due to the activities of criminal organisations and nation states targeting information of value through increasingly sophisticated means. These advanced and persistent threats target business-critical data using, for example, phishing attempts, impersonation, and ransomware for financial and other gain.	The Group has implemented multi-layered information security defences to identify vulnerabilities and protect against attacks. To keep pace with the security threat landscape, our internal security team is growing, and we have key security partners we work with to mitigate the threats. Under the direction of the Group Chief Information Security Officer, the team are maintaining the security programme and strategy to support the business and ensure the Group's Information Security Policy safeguards the following objectives: Confidentiality: Data and information assets are confined to those with authorised access. Integrity: Keeping data intact, complete, and accurate. Availability: Ensuring information systems are available to authorised users when required. The team work to ensure compliance with our security policies and standards, and promote awareness of such standards throughout the Group.
Business continuity (technology) The Group is exposed to risks that, should they arise, may lead to the interruption of critical business processes which could adversely impact the Group or its clients. COVID-19 resulted in such interruptions with varying impacts across Group businesses.	Group business continuity plans were activated to varying degrees based upon the pandemic's impacts on individual businesses. Our COVID-19 business continuity responses included enhanced health and safety measures, the use of technology to enable remote working, the virtual delivery of services to clients, and cost control measures. The Group's COVID-19 experience highlighted the service-oriented nature of our business facilitating the virtual delivery of successful client outcomes but showed our ability to do so depended upon the adequacy and resilience of our critical business systems and processes.

Risk & Impact	Mitigating factors
Financial controls The Group's resources and finances must be managed in accordance with rigorous standards and stringent controls. A failure to meet those standards or implement appropriate controls may result in the Group's resources being improperly utilised or its financial statements being inaccurate or misleading.	The financial controls of the Group, as well as their effectiveness, are monitored by the Board in the context of the standards to which the Group is subject and the expectations of our stakeholders. This monitoring is supported by a dedicated internal audit function. The Group's financial function, systems and controls are also subject to periodic review to ensure that they remain robust and fit for purpose.
Treasury/covenant risks The Group is exposed to liquidity, interest rate, foreign exchange, and credit risks. These risks are reflected in the covenants embedded within our loan facilities	As described in the notes to the financial statements the Group has a range of debt agreements and banking facilities. Management closely monitors all covenants on the Group's facilities and actively manages undrawn headroom. Group financial risk management is governed by policies pertaining to liquidity risk, interest rate risk, currency risk and credit risk. The primary objective of the Group's policies is to minimise financial risk at a reasonable cost. The Group does not trade in financial instruments.

Going concern

The Group's activities, financial performance, position, cash flows and borrowing facilities, together with the factors likely to affect its future development, performance and position over the 12 months from the date of this report are described in this report.

At 31 December 2022, the Group had cash and cash equivalents of $78.8 million and an undrawn RCF available of $320.0 million, giving liquidity headroom of $398.8 million.

The Group is subject to a leverage covenant tested quarterly and had significant headroom at 31 December 2022.

The Group has performed an assessment of going concern through modelling several scenarios. The base case scenario reflects the budget for 2023 and the strategic plan financials for 2024, which assumes current market conditions are maintained. A severe but plausible downside scenario has also been modelled, which assumes a deterioration in revenue from the base case of 10% in 2023. This scenario could arise if the global economy enters a prolonged period of deep recession, although as noted in this report, the end market for healthcare services is largely unaffected by the economic environment. This scenario includes additional cost reduction actions available, mainly in relation to reductions in headcount. There are further cost mitigating and cash saving actions that could be taken by management in the event this became necessary.

In all scenarios modelled, the Group would retain liquidity and covenant headroom throughout the going concern period.

After reviewing the Group's performance, future forecasted profits and cash flows, and ability to draw down on its facilities, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Company's and the Group's financial statements.

Items presented elsewhere in the Annual Report:

Refer to page 28 for s.172 Companies Act 2006 Statement (s172 Statement).

Corporate Governance Report

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity (the **Walker Guidelines**).

Having a strong compliance framework is a core pillar upon which we do business and is part of how we continue to create and maintain our value. We are committed to the highest standards of ethics and corporate governance and our aim is to continue to build and support a culture which values openness, accountability and disclosure.

Following the launch of our global brand, 'Inizio' in 2022, flowing from the combination of Huntsworth and UDG, the Group's corporate governance framework has continued to evolve to reflect the enlarged group and the new ways in which we operate as one combined Inizio group.

The Group's corporate governance framework is summarised within this Corporate Governance Report. We expect to continue to develop and adapt our corporate governance framework in accordance with the changing demands of our business and stakeholders, in particular our people, clients, environment and communities.

Ownership

The Company was formed in connection with private equity funds of Clayton, Dubilier & Rice (**CD&R**) acquiring a controlling interest in Huntsworth on 1 May 2020. CD&R expanded the Group with its acquisition on 16 August 2021 of UDG, an Irish headquartered public company (previously quoted on the London Stock Exchange).

Founded in 1978, CD&R is one of the oldest private equity firms and is based in North America. CD&R has a history of working with management teams to grow companies and build stronger, more profitable businesses. Value is created by collaborating with management to spur operational performance improvements, by accelerating growth strategies, injecting new talent and boosting productivity. CD&R executes a consistent investment strategy across North America and Europe, focusing on market-leading businesses in the consumer/retail, healthcare, industrial, and services sectors. CD&R's investors include leading financial institutions, university endowments and corporate and public pension funds.

The Group is owned by certain CD&R managed investment fund vehicles (and certain affiliated vehicles), including:

- Clayton, Dubilier & Rice Fund X, L.P.; Clayton, Dubilier & Rice Fund X-A, L.P.; and CD&R Advisor Fund X, L.P. and CD&R Ulysses Equity Holdings, L.P., (collectively, **Fund X**); and
- Clayton, Dubilier & Rice Fund XI, L.P.; Clayton, Dubilier & Rice Fund XI-A, L.P.; CD&R Advisor Fund XI, L.P. (collectively, **Cayman Fund XI Partnerships**) and Clayton, Dubilier & Rice XI (Scotland), L.P. (**Scotland Fund XI Partnership**), (Cayman Fund XI Partnerships and Scotland Fund XI Partnership collectively, **Fund XI**).

The ultimate controlling party of Fund X and Fund XI is Clayton, Dubilier & Rice Holdings LLC.

Board

Effective from 4 March 2022 and following a group restructuring, the Company is an indirect subsidiary of Inizio Topco Limited. Inizio Topco Limited is the principal intermediate parent company of the Group. Prior to 4 March 2022 CD&R Artemis Holdco 1 Limited was the principal intermediate parent company of the Group.

The board of Inizio Topco Limited is primarily responsible for the long-term success of the Group, for governance and leadership oversight of the Group. The Board approves the Group's strategy and ensures the establishment and review of corporate governance policy and practice. The Board has delegated responsibility for operational management and execution of the strategy to the Group's Executive Team. The board of directors of the Company and:

- CD&R Artemis Holdco 1 Limited, for the period 1 January 2022 up to and including 3 March 2022; and
- Inizio Topco Limited, following the restructure of the Group on 4 March 2022 up to and including 31 December 2022,

comprised the same individuals. References in this report to the 'Board' include the work of the boards of the Company and each of CD&R Artemis Holdco 1 Limited and Inizio Topco Limited for the periods that such companies were the principal intermediate parent company of the Group.

Board (continued)

The directors who currently hold office at the date of this report (together the Board), are as follows:

Liam FitzGerald - Chairman

Liam is a former CEO of UDG. During his tenure as CEO from 2000 to 2016, he expanded the business from a mainly Ireland-based distribution services business into a multi-faceted and multi-national healthcare services group, operating across 20 countries. During that period, the company's market capitalisation increased by more than 500 percent and earnings grew at a compound annual rate of more than 20 percent. Liam is credited with leading and seamlessly integrating more than 30 acquisitions into UDG.

Paul Taaffe – Chief Executive Officer (CEO)

Paul was appointed as CEO of Huntsworth in April 2015. Paul has wide experience in communications and marketing. Prior to joining Huntsworth, Paul was the director of Communications at Groupon, the international e-commerce company. Prior to that, he enjoyed a 20-year career in London and New York with Hill & Knowlton Inc, the global communications consultancy and subsidiary of WPP plc, including nine years as its Chairman and CEO. Throughout this time, Paul advised many blue-chip and international clients across all geographies and services.

Ryan Quigley – Chief Operating Officer (COO)

Ryan previously held the position of Chief Operating Officer at UDG, having joined UDG in September 2020. He is responsible for providing strategic leadership for the Group globally as part of the Executive Team to establish and deliver long-term strategic growth plans. Ryan has over 25 years' experience in the pharmaceutical industry in commercial leadership roles. Prior to joining UDG, he was Regional Vice President Region South, Immunology and HCV lead for AbbVie Western Europe and Canada.

Ben Jackson - Chief Financial Officer (CFO)

Ben was appointed as CFO of Huntsworth in October 2019, having spent over three years as Head of Finance for Huntsworth. Prior to joining Huntsworth, he was Group Financial Controller of ITE Group Plc (now Hyve Group plc), a FTSE listed international organiser of exhibitions and conferences, and before that he was a senior credit analyst at Royal Bank of Scotland. Ben is a member of the Institute of Chartered Accountants in England and Wales, qualifying with Deloitte in 2009.

Eric Rouzier – Director

Eric is a Partner at CD&R and is based in London. He joined CD&R in 2005 and is responsible for the healthcare sector in Europe. He played a key role in CD&R's investments in Belron, Exova, Huntsworth, SPIE, UDG, and Rexel. Previously, Eric worked in the investment banking division of J.P. Morgan and as a management consultant.

David A Novak - Director

Dave is the Co-President of CD&R's European business and has been with CD&R for 24 years and is a member of their Investment Committee. Based in London, he is responsible for CD&R's European business and international activities. Dave has been actively involved in CD&R's investments in B&M Retail, BCA, Belron, BUT, Huntsworth, Kalle Group, Mauser Group, Motor Fuel Group, SIG plc, SOCOTEC, UDG, and Westbury Street Holdings, and played a key role in many others. Previously, he worked in the private equity and investment banking divisions of Morgan Stanley.

Board (continued)

Sarah Kim - Director

Sarah is a Partner at CD&R, having joined CD&R in 2008. Sarah played a key role in the firm's investments in and subsequent sales of Diversey and naviHealth, the public and secondary offerings of HD Supply and ServiceMaster, and the firm's investment in Covetrus. Previously, she held positions at private equity firms Metalmark Capital and McCown De Leeuw & Co. and worked in the investment banking division of Goldman Sachs & Co.

Sid Jhaver – Director

Sid joined CD&R's London office in 2020 and is principally engaged in evaluating investment opportunities for the firm. He has played a key role in the firm's investment in Huntsworth and UDG. Prior to joining CD&R, Sid was responsible for private equity investments in the healthcare sector at EQT Partners and Advent International. Sid has a B.A. (Hons) in accounting, finance and business information systems from the University of Manchester.

Stephen Cameron – Non- Executive Director

Stephen joined the Board upon Huntsworth's acquisition of Nucleus Global in December 2020. He graduated with degrees in Materials Science, Bio-Engineering, Biomedical Engineering and Marketing before starting MediTech Media in London in 1986, the business now known as Nucleus Global which forms part of the Group's Medical division. With broad experience leading international medical communications accounts and agencies supporting a variety of therapy areas for most of the leading pharmaceutical companies in the world, he has extensive connections throughout the medical communications industry, academia and non-for-profit medical organisations. Stephen's role is to provide non-executive strategic oversight. Stephen has completed three terms (8 years) as a Governor of the Royal Free London NHS Foundation Trust group of Hospitals.

Brendan McAtamney - Non- Executive Director

Brendan holds the position of the non-executive Vice-Chair of the Board. He also holds the position of Chair of the Sharp Group. Brendan was the CEO of UDG at the point of acquisition by CD&R, having been appointed to that role on 2 February 2016. He had previously served as UDG's Chief Operating Officer since September 2013. Before joining UDG, Brendan held various senior management positions with Abbott, latterly as Vice President Commercial and Corporate Officer within the Established Pharmaceuticals division.

The Role of the Board

The Board is responsible for the long-term success of the Group, while considering the interests of all stakeholders. The Board is also responsible for governance and leadership oversight of the Group. The Board approves the Group's strategy, including ESG strategy, and ensures the establishment and review of corporate governance policy and practice.

The Board is supported by the Audit, Remuneration and Sustainability Committees.

The Board has delegated responsibility for operational management and execution of the strategy to the Group's Executive Team. Amongst others, the Executive Team includes the CEO, COO and CFO. The Executive Team is a core governance body, comprising a group of senior executives of the Group that are responsible for running the business. The Executive Team is responsible for developing the Group strategy, tactical management and control (financial and otherwise) of Group operations and also bears responsibility for the control of key business risks for the Group.

In turn, the Executive Team is supported by the Executive Council, Pricing Council, Commercial Council and Risk & Controls Council.

Key roles and responsibilities

Effective operation of the Board relies on a collaborative approach and clarity of the various roles and responsibilities of the individual Board members. In particular, the roles of the Chairman, CEO, COO and CFO are set out in more detail below.

Board (continued)

Chairman: Liam FitzGerald

Key responsibilities:

- running the Board and ensuring its effectiveness in all aspects of its role; demonstrating ethical leadership and promoting the highest standards of integrity throughout the Group;
- ensuring that the Directors receive accurate, relevant, timely and clear information;
- providing a sounding board for the CEO
- ensuring the Board has the right skills, experience and knowledge available to it as well as familiarity with the Group, and that those elements are continually updated; and
- ensuring that the Board considers the interests of key stakeholders.

Chief Executive Officer: Paul Taaffe

Key responsibilities:

- ensuring coherent leadership of the Group;
- recommending to the Board the strategic plan and related annual budget;
- the implementation through the Executive Team of the Group's strategy and plans as agreed by the Board;
- ensuring effective communication with key stakeholders; and
- ensuring the Chair and the Board are kept advised and updated regarding key matters.

Chief Operating Officer: Ryan Quigley

Key responsibilities:

- the management and operation of the Group;
- the resourcing of the Group to achieve its strategic goals, including development of the required organisational structure, processes and systems;
- managing the Group's risk profile and ensuring appropriate internal controls are in place; and
- designing and implementing strategy to significantly deepen market share and innovate service offerings to generate growth and significant additional value for the Group, including market and business development, oversight of significant client relationships and identifying and executing new business opportunities and investments.

Chief Financial Officer: Ben Jackson

Key responsibilities:

- overseeing the financial systems, controls, risk management, delivery and performance of the Group;
- managing the Group's tax and treasury affairs;
- ensuring the Group remains appropriately funded to pursue its strategic objectives.

Board (continued)

Activities of the Board

Five Board meetings were held during the year ended 31 December 2022. If a Director is absent from a meeting, his or her views are sought in advance where possible and then put to the meeting.

A summary of some of the Board's activities in the period is set out below:

Responsibilities	Activities
Annual budget:	• reviewed the 2023 Budget
Strategy and Corporate Development:	• ongoing updates on strategy including presentations from the Executive Team and divisional management throughout the year • review of portfolio and approval of closure or disposal of non-core businesses • reviewed the Group's acquisition strategy and its implementation by the Executive Team • at each Board meeting, reviewed potential acquisitions and transaction opportunities • reviewed and approved acquisitions made during the year
Operational and Financial Performance:	• reviewed performance of the individual business divisions • presentations on performance from Executive Team and divisional management • updates in respect of insurance, tax and treasury matters
People:	• reviewed the composition of the Board • reviewed employee wellbeing and development matters, as well as strategic initiatives • reviewed Board engagement mechanisms with the workforce • reviewing, as necessary, whistleblowing arrangements and report.
Governance:	• received updates from Board Committees • reviewed the Group's existing governance framework to reflect the integrated needs of the Huntsworth and UDG groups, introducing and approving new Inizio Group policies and ensuring that the appropriate framework and controls are in place to meet the changing needs of the enlarged Inizio Group
Risk Management	• reassessed principal risks and risk appetite, including debating the risks that the Group faces and will be facing • reviewed the effectiveness of the Group's risk management and internal control systems.

Board (continued)

How the Board operates

Board information

Board papers containing, amongst other things, Executive Reports, current and forecast trading results, treasury figures, M&A updates, governance & compliance reports, and Company Secretarial Reports, are distributed in advance of the meetings to allow the Directors sufficient time for preparation.

Minutes of the meetings are also circulated to all Directors. The Board receives presentations from the Executive Team and divisional senior management as appropriate. Executive Directors are also involved in regular meetings to review financial and operational performance and governance matters arising throughout the year.

Independent advice

All Directors have access to the advice and services of the Company Secretary who, through the Chairman, is responsible for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. In addition, all Directors have access to independent professional advice, as and when required, at the Company's expense.

Induction and personal development

As well as business performance updates, regulatory and legal changes updates are provided to the Board. Training and development needs of the Board are kept under review by the Chairman.

The Chairman is responsible for ensuring that induction and training are provided as necessary for Directors. As required and necessary, a new Director receives an induction pack and undertakes a bespoke induction programme that provides them with information on the Group, and their responsibilities and obligations. This may include meetings with other Board members, senior management, the external auditor and/or other advisors as appropriate.

Composition of the Board

The Board recognises the importance of there being a diversity of skills, experience, knowledge, ethnicity and gender among both its members and senior management. The Board's aim is to maintain the caliber of its membership, ensuring directors have a broad range of experience relevant to the business, as well as the necessary expertise to provide leadership on issues of strategy, performance, and standards of conduct, which are vital to the success of the Group. The various tenants of diversity will also be an essential factor in all future Board appointments and the Board will continue to reassess its composition in view of these aims. The same approach extends to the Group's senior management and succession planning.

Conflicts of interest

The Board considers and, if it sees fit, authorises situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Group. The Board has put in place a formal system for Directors to declare conflicts to be considered for authorisation by those Directors who have no interest in the matter being considered. Furthermore, the Board has in place measures to manage any actual or potential conflict of interest situations that may arise, which operate effectively. In deciding whether to authorise a potential or actual conflict, the non-conflicted Directors are required to act in the way that they consider would be most likely to promote the success of the Group. They may impose limits or conditions when giving authorisation or subsequently, if they think this is appropriate.

Board (continued)

Risk management and internal control

The Board has ultimate responsibility for the Group's risk management and internal control systems. These systems are designed to enable the Board to be confident that such risks are mitigated or controlled as far as possible, although no system can eliminate the risks entirely.

Following the combination of the Huntsworth and UDG groups on 16 August 2021, the Board has reassessed its existing processes to identify, evaluate and manage the key financial, operating and compliance risks faced by the enlarged Inizio Group, so as to determine the appropriate course of action to manage and mitigate those risks.

The Board delegates the monitoring of these internal control and risk management processes to the Audit Committee.

The key features of the risk management and internal controls system are, amongst others:

- ongoing review of strategy by the Board, which aims to identify potential strategic risks facing the Group;
- establishing a delegation of authority and approval limits;
- monitoring of actual performance against budget and forecasts. A detailed monthly management pack is prepared, which includes consolidated financial results and summarised results for each division. The performance of each business is reviewed monthly by the Executive Team and reported to the Board at each meeting;
- frequent Executive Team meetings with the senior management of each division, which cover any emerging operational, financial, strategic or compliance issues and controls;
- ongoing Board review of the principal risks identified and whether any changes are required;
- confirmations of key internal controls, including financial controls, are received from each business. The purpose of these confirmations is to confirm the operation of an appropriate system of internal controls and to highlight any potential new risks facing the business;
- the Executive Team is responsible for appraising investments; those which are above pre-specified limits are put to the Board for approval;
- the Audit Committee reports to the Board at each Board meeting. Risks and controls are reviewed to ensure effective management of appropriate strategic, financial, operational and compliance issues; and
- internal audit provides an independent assessment of the systems and controls in place across the Group. Businesses are selected for internal audit on a risk-focused basis; the results of internal audits are reported to the Risk & Controls Council, the Executive Team and the Audit Committee.

The Board and the Executive Team continue to review and enhance the Group's risk management framework to ensure thatthey are actively identifying and managing risks in the most efficient and effective way for the Group.

Audit Committee

Audit Committee members:

Eric Rouzier (Chair)

Ben Jackson

Sid Jhaver

Audit Committee meetings and its activities

The Audit Committee supports the Board in fulfilling its responsibilities in relation to financial reporting and reviewing the effectiveness of the Group's internal financial control and financial risk management systems. The Committee also monitors and reviews the effectiveness of the Group's Internal Audit function and, on behalf of the Board, manages the appointment and remuneration of the external auditor and monitors their performance and independence.

Key responsibilities

The Audit Committee's key responsibilities include:

- reviewing and providing a recommendation to the Board for the adoption of the Annual Report and Financial Statements;
- reviewing significant financial reporting judgements contained within those reports and other announcements relating to the Group's financial performance, including challenging assumptions and estimates used in the preparation of the financial statements;
- monitoring the financial reporting process;
- monitoring and reviewing the effectiveness of the Group's internal controls, including review and approval of the scope ofthe internal audit programme, reviewing the findings of internal audits completed in the period, and conducting an overallreview of the effectiveness of the risk management and internal audit functions;
- oversight of all aspects of the relationship with the external auditor, including appointment and reappointment, independence, objectivity and effectiveness of the audit process and the provision of additional services by the external auditor;
- approving the remuneration and terms of engagement of the external auditor; and
- overseeing the Group's policies and procedures for the identification, assessment, management and reporting of fraud.

Internal audit

The Audit Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, plans, activities and resources. Internal audit performs reviews as part of a programme approved by the Audit Committee. An in-house internal audit team performs the internal audit reviews.

The Audit Committee considers any issues or risks arising from internal audit reviews and monitors the implementation of any follow up actions.

Audit Committee (continued)

External audit

The Audit Committee manages the relationship with the Group's external auditors on behalf of the Board.

Audit effectiveness

One of the key responsibilities of the Audit Committee is to assess the effectiveness of the external audit process. PricewaterhouseCoopers LLP (PwC) had served as the Group's external auditor from December 2016. On 8 September 2022, EY were appointed to serve as the Group's external auditor.

During 2022, the Committee reviewed the reports it received from PwC and EY in their respective capacities as external auditor, including the audit plan and the results of the audit work performed. The Committee challenged, where necessary, the risks identified and the results of the work performed, and sought feedback from management on the effectiveness of the audit process.

Auditor's independence, objectivity and non-audit services

The Audit Committee continually reviews the nature and extent of non-audit services provided to the Group by the external auditor and receives confirmation from them, at least annually, that in their professional judgement, they are independent with respect to the audit. The Audit Committee oversees the nature and amount of non-audit work undertaken by the external auditor each year to ensure that the external auditor's independence and objectivity are safeguarded.

The provision of non-audit services, within the constraints of applicable UK rules, is assessed on a case-by-case basis so that the best-placed advisor is engaged.

Remuneration Committee

Remuneration Committee members:

Liam FitzGerald (Chair)
Eric Rouzier
Paul Taaffe

Other Directors, members of the Executive Team and senior management, attend Remuneration Committee meetings by invitation only.

Remuneration Committee's activities

The Committee endeavours to ensure that the Group's remuneration strikes an appropriate balance between the long-term interests of the Group's shareholders and rewarding and motivating the Executive Team and senior management of the Group. The Committee is responsible for the design and development of remuneration policies for the Executive Team and senior management of the Group that are aligned with the purpose, values and culture of the Group.

Key responsibilities

The Remuneration Committee's key responsibilities include:

- setting remuneration arrangements for Executive Directors, the Executive Team and other senior management,
- benchmarking the compensation packages of the Group's senior management, and
- considering succession planning for Executive Directors, the Executive Team and other senior management, taking into account the challenges and opportunities facing the Group and the skills and expertise required, cognisant of Diversity, Equity and Inclusion ("DEI") aspects.

Sustainability Committee

Sustainability Committee members:

Brendan McAtamney (Chair)

Paul Taaffe

Neil Jones

Martin Morrow

Dervala Leahy

Other Directors, members of the Executive Team and senior management, attend Sustainability Committee meetings by invitation only.

Sustainability Committee's activities

The Sustainability Committee supports the Board in overseeing the development and implementation of the Group's Sustainability Strategy as it relates to Environmental, Social and Governance ("ESG") aspects affecting the organisation; tracking evolving regulatory and industry requirements and understanding the investment requirements to deliver the strategy successfully. The Sustainability Committee meets a minimum of three times a year.

Key responsibilities

The Sustainability Committee's key responsibilities include:

- overseeing the development and implementation of the Sustainability Strategy including the organisation's decarbonisation strategy.
- understanding the evolving ESG regulatory and industry requirements and how the Group is positioned to meet these requirements.
- reviewing and approving the annual sustainability report.
- supporting the implementation of the Group's DEI strategy.
- understanding the investment requirements needed to deliver the sustainability strategy (including DEI).

Stakeholder engagement

s.172 Companies Act 2006 Statement (s172 Statement)

The Board recognises the Company's responsibilities for making decisions for the long term, understanding that our business can only grow and prosper over the long term if we consider the views and needs of our employees, clients, suppliers and the communities in which we operate, including our shareholders to whom we are accountable.

We set out below our s172 Statement, in accordance with s.414CZA of the Companies Act 2006.

Issues relevant to this group	Reason for engagement	How the Board has considered their interest
Stakeholder Group: **Workforce**		
Fair employment and fair pay and benefits. Diversity, equity and inclusion. Training, development and career opportunities. Health and safety. Communicating and engaging with the workforce. Responsible use of personal data.	To deliver the best solutions for our clients, we need to hire, retain and develop the best talent who reflect the diversity of our clients and their own stakeholders. Our people are a key asset to the success of our business.	We make acquisitions that complement our existing business offering and providing new opportunities for our people to succeed. When disposing of non-core business interests, we ensure that the interests of employees are safeguarded. We also review our whistleblowing procedures and reports from the independent helpline and on-line portal and action these accordingly. We recognise the benefits of a diverse workforce in our recruitment policies and we seek to put in place policies and processes to improve diversity within our employee population. We promote inclusive working practices and provide equal employment opportunities to all employees and applicants regardless of ethnicity, race, sex, sexual orientation, disability, age or military status. We provide access to a number of training initiatives which enable our people to develop skills which will support our businesses' development and strategy as well as offering opportunities for career development for all employees. The Board recognises the need to maintain a safe and healthy working environment for all employees. Health and Safety Committees across the organisation also ensure that we actively engage with our employees on the issues that matter to them and solicit feedback on our systems and performance.

Issues relevant to this group	Reason for engagement	How the Board has considered their interest
		Refer to the Strategic report on page 2 for more detail. Our ongoing training and awareness programmes aim to ensure that those that work with us apply principles of transparency, fairness and respect in how we process personal data and treat data subjects. The Group's information security programme ensures appropriate technical and organisational controls are in place to maintain the security of personal data.
Stakeholder group: **Clients**		
Client service.	The Group is committed to being the global leader in providing pharmaceutical and biotechnology companies with the most complete suite of strategic consulting, medical affairs, market access, stakeholder engagement and marketing services across all therapeutic areas and across the entire drug development and commercialisation lifecycle of molecule to medicine. The needs of all our clients are complex and ever changing. We are committed to bringing the best solution to them by collaborating within and across divisions. To remain successful and valued by our clients, we need to be very responsive and forward facing. We need to understand changing trends in the marketplace and address our clients' need to have a more sustainable supply chain.	Executive Directors liaise with a number of high-level client contacts to understand their developing needs and markets and to report on them to the Board, enabling those interests to be factored into the Board's decisions on future strategy.

Issues relevant to this group	Reason for engagement	How the Board has considered their interest
Environment and sustainable sourcing. Ethics and corporate responsibility. Integrity and honesty.		Sustainability is one of the four enterprise-wide initiatives central to the successful delivery of our business strategy. A central component of our sustainability strategy is the reduction of carbon emissions. We understand that reducing our carbon emissions is of vital importance for our clients and setting science-based emission reduction targets demonstrates to our clients that we are actively committed to decarbonising our business. One particular area of focus during 2022 has been the alignment of our Group policies and the creation of Inizio's Code of Ethics (the Code), which establishes the behaviour required of all of our employees and those who represent us. Integral to the Code are Inizio's Leadership Commitments (Commitments). Our Commitments set out how we act and interact, and in doing so help to foster the Inizio culture we mutually create. We believe that the honesty, integrity and ethical behaviour of all our workforce are fundamental to the reputation and success of the Group as a whole.
Stakeholder group: **Suppliers**		
Anti-bribery and corruption. Ethics and slavery.	Suppliers must demonstrate that they prohibit modern slavery.	The Group issued its Anti-Bribery and Corruption Policy during 2022.The Group also publishes a Modern Slavery Statement which is annually reviewed, detailing the steps that the Group has taken during the financial year to ensure that Modern Slavery is not taking place in any of its supply chains or in any part of our business. Given the nature of our business, we do not have an extensive supply chain network and consider that we are at a low risk of exposure to slavery and human trafficking.

Issues relevant to this group	Reason for engagement	How the Board has considered their interest
Stakeholder group: **Environment**		
Energy usage. Business travel. Waste management.	Reducing our environmental footprint is important to our people, clients and the communities in which we operate. We are committed to becoming a net zero business by 2040 and to help us achieve this, we are developing near-term science based targets.	We report annually on the energy usage arising from our offices globally and have committed to procuring 100% renewable energy by 2030. Enhancing the energy efficiency of our offices is also another key focus area within our sustainability strategy. Business travel is a significant contributor to Inizio's Scope 3 carbon emissions and we have a multi-faceted approach to reducing them. For our car sales fleet, we're phasing out internal combustion engine cars and transitioning to hybrid and electric vehicles. For air travel, we encourage our people to consider whether taking a flight is necessary and proportionate and whether video conferencing technology can be used as an alternative means of collaborating with clients and colleagues. We also encourage our people to commute using more sustainable travel choices such as cycling and public transport. Waste is not a material source of emissions for us. However, we recognise the importance of reducing the amount of waste we send to landfill. Throughout 2022, we implemented a zero single use plastic policy. Throughout 2023, we'll work with our landlords to ensure that our offices provide better recycling and composting facilities as well as educating our people on positive waste management practices. The Sustainability Committee monitors developments in corporate reporting on matters concerning the environment and climate change and aims to be in a position to comply with all legal requirements and best practice guidance.

Issues relevant to this group	Reason for engagement	How the Board has considered their interest
Stakeholder group: Community		
Charitable donations & volunteering.	We strive to have a positive impact on the communities we serve and society as a whole. This underpins our purpose, to reimagine health and in so doing, to put our people and communities first.	The Executive Team agreed the community strategy for 2022 which includes the following (1) selecting three charities to partner with, providing both financial support and volunteering support where needed; (2) offering matched funding in each of our business units to support the fundraising initiatives of our employees; and (3) employee volunteering, allowing employees time away from their day to day paid responsibilities to participate in Inizio Community Action Day.

Directors' Report

The Directors' Report for the year ended 31 December 2022 comprises this report and the Corporate Governance Report on pages 17 to 32, together with any other sections of the Annual Report incorporated by reference. As permitted by legislation, some of the matters to be included in the Directors' Report have been included in the Strategic Report. Specifically:

- an indication of likely future developments in the business of the Company can be found on page 7;
- details of the Group's financial risk management strategy, policies and instruments held are set out in the Principal Risks & Uncertainties section of the Strategic Report and Note 20 to the consolidated financial statements;
- details of the Group's subsidiaries and branches are set out in Appendix 2 of the consolidated financial statements;
- details of the Group's going concern assessment are contained in the Strategic Report;
- employee engagement matters are set out on pages 28 to 29
- details of the Group's engagement with suppliers, customers and others can be found on pages 30 to 32; and
- Walker Guidelines disclosures in line with s.414C (7) and (8), Companies Act 2006, can be found in the Strategic Report on pages 2 to 16.

Inizio Group Limited (the **Company**) is a private company limited by shares, incorporated and domiciled in the United Kingdom, with company number 12487650.

The immediate parent undertaking of the Company is CD&R Ulysses UK Holdco 2 Limited. From 1 January to 3 March 2022, the principal intermediate parent company in the Group was CD&R Artemis Holdco 1 Limited, a Jersey incorporated company, which in the opinion of the Company's Directors, was the ultimate controlling party.

With effect from 4 March 2022 and following a group restructuring, Inizio Topco Limited, a newly incorporated Jersey company, became the principal intermediate parent company of the Group.

Directors' Report (continued)

Directors

The Directors who served during the year ended 31 December 2022 and at the date of this report, are set out below:

Name

Liam FitzGerald	Chairman of the Board and Remuneration Committee. Appointed as a Director of the Company on 5 March 2021.
Paul Taaffe	Chief Executive Officer. Appointed as a Director of the Company on 5 March 2021.
Ryan Quigley	Chief Operating Officer. Appointed as a Director of the Company on 1 December 2021.
Ben Jackson	Chief Financial Officer. Appointed as a Director of the Company on 4 November 2020.
Eric Rouzier	Chair of the Audit Committee. Appointed as a Director of the Company on 27 February 2020.
Sarah Kim	Appointed as a Director of the Company on 4 November 2020.
David Novak	Appointed as a Director of the Company on 5 March 2021.
Sid Jhaver	Appointed as a Director of the Company on 1 December 2021.
Stephen Cameron	Appointed as a Director of the Company on 5 March 2021.
Brendan McAtamney	Appointed as a Director of the Company on 1 December 2021.

Liam FitzGerald, Eric Rouzier, Sarah Kim, David Novak and Sid Jhaver are nominees of CD&R who supervise its investment in the Group on CD&R's behalf.

Biographical details of the Directors in office at the date of this report are set out on pages 18 to 19.

Directors' indemnities

At the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or of any other company in the Group.

Dividends

No dividends were paid during the year ended 31 December 2022.

Directors' Report (continued)

Employment policies

People are at the heart of our business. We understand that the long-term success and sustainability of our business hinges on our ability to attract and retain the best employees. We see employee safety, wellbeing and development as the key to creating value. As an international Group, we have therefore developed employment policies that seek to meet Group standards, local conditions and requirements.

Employee health and safety

The Board recognises the need to maintain a safe and healthy working environment for all employees. Each business is responsible for ensuring that they operate in compliance with our Group Health and Safety Policy along with local health and safety legislation. We have a network of Health and Safety Champions across the organization that come together regularly to discuss common issues, share learning and issues of concern. Health and Safety Committees and representatives across the organization also ensure that we actively engage with our employees on the issues that matter to them and feedback on our systems and performance. Risk assessments are often carried out, which provide the foundation for safe activities and drive regular performance monitoring in pursuit of continuous improvement.

Throughout the early part of 2022, the COVID-19 pandemic continued to influence our health and safety priorities, with a key focus on arrangements for a safe return to the office.

All employees and contractors are required to report all work-related incidents through our health and safety incident reporting system monthly, so that we can gather the right information for future interventions and incident improvement initiatives. A new Group health and safety incident reporting platform was implemented at the beginning of 2022 to enhance Group performance monitoring and reporting processes.

Within the Ashfield Engage business, improving driver safety remains a key priority. Our continued membership of the Network of Employers for Traffic Safety allows us to benchmark performance against other companies across our regions. This has helped us to assess the effectiveness of our Driver Safety Programme, highlighting where we can get the best results and ensure the safety of our drivers in the future. As well as the program, fleet managers from across our regions come together regularly to share best practices and identify opportunities for improvement. During 2022, the safe use and management of hybrid and electric vehicles was a key topic as the number of these vehicles grows in our fleet. We also revised our Driving for Work Policy, which includes reference to risk assessments associated with non-fleet car driving for work. We'll continue to review opportunities for further driver-safety improvement.

Employee wellbeing

The physical and mental wellbeing of our employees is of key importance to our organization. Employee Wellness Programs are in place, which look to enhance employee health and wellbeing. Everyone at Inizio is encouraged to use our award-winning website, WellSpace, which features a range of resources to support our people's physical, mental and emotional wellbeing.

On 10 October 2022, we celebrated World Mental Health Day, reminding everyone of the variety of resources and support available to them throughout the year. We also held our first 'Inizio Community Action Day', promoting the wellbeing benefits of volunteering, providing our people with a sense of purpose and social interaction with their local communities.

Across Inizio, there are several policies and practices which assist employees in achieving an appropriate work/life balance, including policies on hybrid and agile working, parental, maternity and paternity leave and emergency time off.

We are equally committed to having a culture which stimulates and rewards our workforce. Annual bonuses are paid throughout the Group to award exceptional performance.

Directors' Report (continued)

Employee learning and talent development

Talent management and succession planning play a key role in identifying, assessing, developing and retaining our people. HR teams across the Group are responsible for the talent management and succession planning process, with our business leaders being accountable for the results of these processes.

We encourage our people to use a variety of formal and informal learning interventions, to develop their required knowledge, skills and attitudes. To assist in this process, we have adopted the 70:20:10 development framework created by the Center for Creative Leadership, which enables our people to learn at and during work, through more than just formal learning. Under the framework 70% of employee development occurs within the context of the job. Day-to-day challenges that come with the roles and responsibilities of the job provide excellent opportunities to learn and grow on a continual basis; 20% of employee development comes from coaching and feedback. This can come from direct managers and peers as well as other colleagues our people interact with on a day-to-day basis throughout the business; 10% of employee development comes from formal learning and development such as e-learning or instructor led training courses. During 2022 Inizio established a three-year plan to build a world class learning and development and talent function which moves from a disconnected learning and development technology landscape across the former Huntsworth and UDG businesses, to a standardized and simplified platform. We have done this by implementing a central learning management system which will make it easier for our employees to access what they need, when they need it.

Employee communication

The Group regularly engages with its employees through a number of mechanisms including regular town halls with the senior executive team, office updates and email newsletters.

Regular meetings are also held between local management and employees to facilitate employee involvement in decision making and businesses performance with a view to achieving a common awareness on the part of all Group employees of the financial and economic factors affecting the performance of the company.

Diversity, Equity & Inclusion (DEI)

In 2022 the Group continued to make progress with DEI activities, recognizing the importance of embedding DEI principles in how the Group thinks, acts and leads. Following the launch of Inizio, it was decided that the Group would create an aligned and future focused Group-led vision and DEI strategy that would apply across all of our businesses. Our DEI vision is to create a diverse, inclusive environment where our people feel valued, empowered and listened to. This will help us achieve our goal of creating a high-performing culture that inspires new possibilities which will help us achieve our overarching goal to 'reimagine health'.

We recognise that the Board sets the tone for diversity across the Group and that it is important that we have a diverse leadership to support good decision-making. To achieve this, we actively deploy recruitment policies and practices which enable us to attract the widest possible sources of talent into our business, thereby developing an inclusive culture. We acknowledge that we have more to do in this area and intend to launch our global DEI strategy in 2023, led by a newly appointed Chief Diversity Officer.

We continue to promote inclusive working practices and support our companies' efforts to increase diversity of all kinds through best practice in recruitment, training, mentoring, parental leave and flexible working.

We provide equal employment opportunities to all employees and applicants without regard to race, colour, religion, sex, sexual orientation, national origin, age, disability, military status, or status as a disabled veteran in accordance with applicable UK and US laws. In addition, we strictly comply with all US applicable federal, state and local equal opportunity and anti-discrimination laws.

In addition, the Group's equal opportunities policy is designed to ensure that disabled people are given the same consideration as others and enjoy the same training, development and prospects as other employees.

We are committed to gender diversity across the Group. As at 31 December 2022, women accounted for 60% of the directors of the Group, 25% (2) of the Executive Team, 72% (127) of senior management and 67% (7,765) of total employees.

Directors' Report (continued)

Code of Ethics

During 2022, Inizio launched our new Code of Ethics (the "**Code**") which establishes the behaviour we expect of every single person at Inizio and those that represent us. Integral to the Code, are Inizio's Leadership Commitments (our "**Commitments**") which set out in more detail how we should all act and interact to help foster a positive, supportive and ethical culture.

We believe that the honesty, integrity and ethical behaviour of all our workforce is fundamental to the reputation and success of the Group as a whole.

Speak Up Policy

We foster an environment where we encourage our people to be themselves and to be able to 'Speak Up' without fear. Our new 'Speak Up' policy was launched during 2022, replacing Huntsworth's and UDG's former whistleblowing policies. The Speak Up policy allows employees to make a confidential report 24/7 via an online platform or by telephone, to disclose malpractice, and is intended to act as a deterrent to fraud or other corruption to protect the Group's business and reputation. All reports will be treated seriously, investigated thoroughly, and dealt with professionally, whilst protecting the reporter's confidentiality. In 2022, six confidential reports were lodged and six confidential reports were closed.

Supply chain network and modern slavery

Given the nature of our business, we do not have an extensive supply chain network. Our supply chains include recruitment agencies, cleaning and catering services, IT hardware and software providers, office fit out and maintenance services and document retention services.

Whilst we consider we have a low risk of exposure, we are opposed to any form of slavery or human trafficking (together, Modern Slavery), and the Group's policy is to ensure that it is eradicated from both our business and from our supply chains.

The Group publishes a Modern Slavery Statement, which is annually reviewed, detailing the steps that the Group has taken during the financial period to ensure that Modern Slavery is not taking place in any of its supply chains or in any part of our business.

A copy of the Group's Modern Slavery Statement is available on https://inizio.health/what-matters-to-us/policies.

All Group policies

The Group has a number of policies as well as a series of training and awareness videos, which are periodically reviewed.

We ask all of our workforce to formally acknowledge their acceptance of and agreement to comply with all applicable policies and to watch the videos. We also make relevant material available on our website, notably our Code, Speak Up Policy and Modern Slavery Statement, as noted above.

A process is currently underway to review the policy and procedure framework across Inizio, to ensure continual improvement and relevance.

Directors' Report (continued)

Data security and protection

Our aim is to have an effective information security program in place and we are aware that to achieve this we need to be vigilant and regularly reassess and update our systems and processes.

We are committed to:

- When required, seeking consent for the collection, use and sharing of personal data;
- Notifying data subjects in a timely manner in case of a data breach (as required);
- Limiting the collection and retention of essential personal data;
- Implementing appropriate data security safeguards; and
- Having clear terms and conditions for the use of personal data.

Our Privacy Notice is available on our websites (https:// https://inizio.health/privacy-policy/), and a Data Protection Policy is available to the workforce.

Charitable donations

During 2022 the Group made charitable donations of $438,826, including pro bono work to an equivalent value of $128,896, the total charitable donations of the Group were $567,722.

Auditor

On 8 September 2022 Ernst & Young was appointed as auditor of the Company under the provisions of the Companies Act 2006, replacing PricewaterhouseCoopers LLP.

Greenhouse gas emissions

The Group is reporting greenhouse gas (GHG) emissions data in line with the requirements of the Companies Act 2006 and its applicable provisions. Our total emissions, in tonnes of CO2, are reported in the table below.

The reporting period is 1 January 2022 to 31 December 2022.

Subsidiary companies falling under the reporting scope are exempt from disclosing emissions data in their own financial statements as these are included within the Group's emissions data below.

Methodology

We annually measure and report on our GHG emissions from our global operations. In calculating our GHG emissions, we use ISO 14064-1 based on the GHG Protocol Corporate Standard. Our scope 1, 2 and 3 emissions cover the following areas:

- Scope 1: Natural gas, company cars, on-site fuel consumption and refrigerants
- Scope 2: Purchased electricity, heat and steam
- Scope 3: Purchased goods and services, fuel and energy related activities not captured in scope 1 and 2, waste, business travel and employee commuting.

Directors' Report (continued)

Carbon Emissions (tonnes of CO2e)

	2022 GHG Emissions		2021 GHG Emissions[1]
	UK	**Global (including UK)**	Global (including UK)
Scope 1	**2,618**	**11,900**	7,481
Scope 2	**453**	**2,315**	2,309
Scope 3	**42,306**	**147,431**	890[2]
Total GHG emissions	**45,377**	**161,646**	10,680
Average number of employees	**3,795**	**11,450**	9,696
Emissions per employee	**0.8**	**1.2**	1.0

	2022 GHG Emissions		2021 GHG Emissions
	UK	**Global (including UK)**	Global (including UK)
Intensity ratio (scope 1 &2 tonnes CO2e per dollar of revenue)	**0.00000549453**	**0.00000676401**	0.0000084038
Energy consumption (kWh)	**12,777,000**	**56,381,000**	32,282,000

[1] As this is the first year of reporting against the Streamlined Energy and Carbon Reporting requirements, comparative data for 2021 UK emissions is not available.

[2] In 2021, data underpinning our scope 3 emissions reporting was limited to business travel, waste and water emissions only. During 2022 Inizio conducted a screening exercise of its scope 3 emissions to understand more fully which scope 3 categories are most material to the Group.

Energy Efficiency

Enhancing energy efficiency across our Group has been identified as a key lever within our Group Environmental Strategy. We aim to achieve greater energy efficiency by transitioning our sales fleet to electric vehicles on a phased basis, using renewable electricity in our offices where possible and improving the energy efficiency of our non-LEED / BREEAM certified offices globally. Each of these tasks have commenced and associated targets agreed to drive improvements. At a subsidiary company level, we will also look to implement any additional recommendations arising from our ESOS audits.

Additional information on sustainability practices across the Group can be found in our 2022 Sustainability Report available on our website at the following link: https://inizio.health/content/uploads/2023/02/Inizio_SR22_final.pdf and which falls outside of the scope of this audit.

Directors' statement as to disclosure of information to auditor

The Directors who were members of the Board at the time of approving the Report of the Directors are listed on pages 18 to 19. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- so far as each Director is aware, there is no information relevant to the preparation of the Company auditor's report of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

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

The Group has also prepared financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This Directors' Report has been approved by the Board and signed on its behalf by Martin Morrow, Company Secretary.

Martin Morrow

Company Secretary

Date: 23 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INIZIO GROUP LIMITED

Opinion

We have audited the financial statements of Inizio Group Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report set out on pages 2 to 40, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 40, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group across the various jurisdictions globally in which the Group operates. We determined that the most significant are those that relate to the form and content of external financial and corporate governance reporting including company law, tax legislation, employment law and regulatory compliance. In addition, Inizio Group Limited has to comply with laws and regulations relating to its domestic operations, including health and safety, employees, data protection and anti-bribery and corruption.

- We understood how Inizio Group Limited is complying with those frameworks by making enquiries of management, Internal Audit and those responsible for legal and compliance procedures to understand how the group maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of the group's Compliance Policy, board minutes, papers provided to the Audit Committee, correspondence received from regulatory bodies and supporting documentation including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management, including within various parts of the business, to understand where they considered there was susceptibility to fraud including the risk of management override. We evaluated management's incentives and performance target opportunities and the potential for management to influence earnings and fraudulent manipulation of the financial statements. We determined that the principal risks were related to posting inappropriate journals and management bias in accounting estimates. We identified and tested journal entries, in particular manual journal entries and those posted with unusual account combinations or posted by senior management. We designed our procedures in order to challenge assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the assessment of impairment of goodwill and intangible assets, and acquisition accounting.

Auditor's responsibilities for the audit of the financial statements (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of management, Internal Audit and those charged with governance, reviewing minutes of meetings of the board of directors, a review of reporting to the Audit Committee on compliance with regulators, and evaluation of management's policies and procedures n designed to prevent and detect irregularities and non-compliance with laws and regulations.

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

Use of our report

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

Breffni Maguire (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin

23 March 2023

Consolidated Income Statement

For the year ended 31 December 2022

	Note	2022 $000	2021 $000
Revenue	4	**2,101,563**	1,171,010
Operating expenses		**(2,340,787)**	(1,257,790)
Share of profit from joint venture and associate	17	**2,388**	792
Operating loss	5	**(236,836)**	(85,988)
Finance income	7	**957**	1,120
Finance costs	7	**(179,874)**	(106,564)
Loss before tax	4	**(415,753)**	(191,432)
Taxation	9	**(687)**	2,873
Loss from continuing operations		**(416,440)**	(188,559)
Loss from discontinued operations	27	**-**	(140,701)
Loss for the year		**(416,440)**	(329,260)

	2022 $000	2021 $000
Attributable to:		
Parent Company's equity shareholders	**(417,738)**	(333,088)
Non-controlling interests	**1,298**	3,828
Loss for the year	**(416,440)**	(329,260)

The notes on pages 52 to 120 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2022

	Note	**2022**	2021
		$000	$000
Loss for the year		**(416,440)**	(329,260)
Other comprehensive expense			
Items that may be reclassified subsequently to the income statement			
Currency translation differences		**(110,226)**	(6,526)
Tax expense on currency translation differences	9	**748**	(522)
Gain on cash flow hedges		**3,822**	-
Tax expense on gain in cashflow hedges	9	**(963)**	-
Items that will not be reclassified subsequently to the income statement			
Remeasurement loss on Group defined benefit schemes			
- Continuing operations	8	**(54)**	(1,193)
- Discontinued operations	27	**-**	87
Deferred tax on Group defined benefit schemes			
- Continuing operations		**15**	271
- Discontinued operations	27	**-**	(21)
Total other comprehensive expense for the year		**(106,658)**	(7,904)
Total comprehensive expense for the year		**(523,098)**	(337,164)

Total comprehensive expense for the year attributable to:		
Parent Company's equity shareholders	**(524,396)**	(340,992)
Non-controlling interests	**1,298**	3,828
	(523,098)	(337,164)

Total comprehensive expense for the year attributable to Parent Company's equity shareholders:		
Continuing operations	**(524,396)**	(200,291)
Discontinued operations	**-**	(140,701)
	(524,396)	(340,992)

Consolidated Balance Sheet
For the year ended 31 December 2022

	Note	**2022 $000**	2021 $000
Non-current assets			
Intangible assets and goodwill	10	**3,662,080**	4,044,639
Property, plant and equipment	11	**28,154**	41,232
Right-of-use assets	12	**66,782**	101,966
Lease receivable	13	**11,855**	2,933
Equity accounted investments	17	**33,475**	44,060
Other receivables	14	**25,506**	26,601
Contract fulfilment assets	16	**200**	119
Employee benefits	8	**4,478**	5,962
Derivative financial instruments	20	**6,004**	-
		3,838,534	4,267,512
Current assets			
Cash and short-term deposits	20	**78,769**	164,870
Lease receivable	13	**5,001**	3,178
Trade and other receivables	14	**663,013**	500,038
Contract fulfilment assets	16	**555**	749
Current tax asset		**10,075**	-
		757,413	668,835
Current liabilities			
Lease liabilities	12	**31,794**	36,276
Bank borrowings	21	**75,483**	8,005
Trade and other payables	15	**505,506**	413,107
Current tax payable		**10,179**	127,459
Provisions	18	**28,388**	91,278
		651,350	676,125
Net current assets		**106,063**	(7,290)

Consolidated Balance Sheet (continued)

For the year ended 31 December 2022

	Note	**2022** **$000**	2021 $000
Non-current liabilities			
Lease liabilities	12	**82,592**	97,628
Bank borrowings	20, 21	**2,395,866**	2,224,934
Trade and other payables	15	**14,160**	1,591
Deferred tax liabilities	19	**274,616**	293,488
Provisions	18	**28,310**	53,165
Derivative financial instruments	20	**2,050**	-
		2,797,594	2,670,806
Net assets		**1,147,003**	1,589,416
Equity			
Called up share capital	22	**25,849**	25,038
Share premium	24	**80,265**	-
Foreign currency translation reserve	24	**(99,871)**	10,355
Cash flow hedge reserve	24	**2,859**	-
Put option reserve	24	**(565)**	(38,453)
Retained earnings		**1,137,460**	1,558,295
Equity attributable to equity holders of the parent		**1,145,997**	1,555,235
Non-controlling interest	24	**1,006**	34,181
Total equity		**1,147,003**	1,589,416

The notes on pages 52 to 120 form part of these consolidated financial statements.

The Company number for Inizio Group Limited (formerly Hunter Holdco 3 Limited) (the Company) is 12487650.

These financial statements, as set out on pages 45 to 120, were approved by the Directors on 23 March 2023 and signed on their behalf by:

Ben Jackson

Director

Consolidated Cash Flow Statement

For the year ended 31 December 2022

	Note	**2022** **$000**	2021 $000
Cash inflow/(outflow) from operating activities			
Cash inflow from operations	26(a)	**216,639**	109,300
Interest paid		**(163,322)**	(99,438)
Interest received		**901**	1,102
Net tax paid		**(155,229)**	(15,716)
Net cash outflow from operating activities		**(101,011)**	(4,752)
Cash inflow/(outflow) from investing activities			
Acquisition of subsidiaries – cash paid	3	**(277,172)**	(4,010,549)
Cash acquired through acquisition	3	**26,443**	118,277
Deferred and contingent consideration payments	15, 18	**(50,437)**	(154,035)
Cost of internally developed intangible assets	10	**(457)**	(280)
Disposal of subsidiaries, net of cash disposed	27	**-**	(36,563)
Proceeds from sale of associates		**-**	846
Proceeds from sale of property, plant and equipment		**1,008**	12
Purchases of property, plant and equipment	11	**(9,730)**	(19,585)
Cash received from lease receivables		**2,919**	2,703
Net cash outflow from investing activities		**(307,426)**	(4,099,174)
Cash inflow/(outflow) from financing activities			
Proceeds from issue of ordinary shares	22	**81,076**	1,999,917
Drawdown of loans and borrowings, net of financing fees	26 (b)	**355,965**	3,440,554
Repayment of loans and borrowings	26 (b)	**(36,509)**	(1,284,736)
Capital contribution		**-**	20,835
Redemption liability payments on exercise of put options for non-controlling interests	18	**(36,945)**	(9,408)
Repayment of lease liabilities	12	**(31,393)**	(22,376)
Dividends paid to non-controlling interests		**(1,648)**	(2,286)
Net cash inflow from financing activities		**330,546**	4,142,500

Consolidated Cash Flow Statement (continued)

For the year ended 31 December 2022

	Note	**2022** **$000**	2021 $000
Movements in cash and cash equivalents			
(Decrease)/increase in cash and cash equivalents		**(77,891)**	38,574
Effects of exchange rate fluctuations on cash and cash equivalents	26(b)	**(8,210)**	(3,363)
Cash and cash equivalents at 1 January		**164,870**	129,659
Cash and cash equivalents at 31 December	26(b)	**78,769**	164,870
Cash and cash equivalents is comprised of:			
Cash and short-term deposits		**78,769**	164,870

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Called up share capital	Share premium	Foreign currency translation reserve	Cash flow hedge reserve	Put option reserve	Retained earnings	Attributable to equity holders of the parent	Non - controlling interest	Total Equity
	$000	$000	$000	$000	$000	$000	$000	$000	$000
At 31 December 2020	5,039	498,893	16,881	-	(47,002)	(59,733)	414,078	42,047	456,125
Loss for the year	-	-	-	-	-	(333,088)	(333,088)	3,828	(329,260)
Total other comprehensive income	-	-	(6,526)	-	-	(1,378)	(7,904)	-	(7,904)
Acquisition of non-controlling interests	-	-	-	-	8,549	859	9,408	(9,408)	-
Issue of shares	19,999	1,979,918	-	-	-	-	1,999,917	-	1,999,917
Share premium reduction	-	(2,478,811)	-	-	-	2,478,811	-	-	-
Capital contribution	-	-	-	-	-	20,835	20,835	-	20,835
Equity dividends	-	-	-	-	-	(548,011)	(548,011)	(2,286)	(550,297)
At 31 December 2021	25,038	-	10,355	-	(38,453)	1,558,295	1,555,235	34,181	1,589,416
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(417,738)**	**(417,738)**	**1,298**	**(416,440)**
Total other comprehensive income	**-**	**-**	**(110,226)**	**2,859**	**-**	**709**	**(106,658)**	**-**	**(106,658)**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**37,888**	**(5,063)**	**32,825**	**(32,825)**	**-**
Issue of shares	**811**	**80,265**	**-**	**-**	**-**	**-**	**81,076**	**-**	**81,076**
Share-based payment charge	**-**	**-**	**-**	**-**	**-**	**1,257**	**1,257**	**-**	**1,257**
Equity dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,648)**	**(1,648)**
At 31 December 2022	**25,849**	**80,265**	**(99,871)**	**2,859**	**(565)**	**1,137,460**	**1,145,997**	**1,006**	**1,147,003**

Note 24 includes more detail on each of these Group reserves.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006.

2. Significant accounting policies

The Group's significant accounting policies are listed below. These policies have been consistently applied across the years presented unless otherwise stated.

Basis of preparation

The Consolidated financial statements are presented in US Dollars ($), rounded to the nearest thousand ($'000), and are prepared on a going concern basis. The consolidated financial statements have been prepared under the historical cost convention, except for the following which are measured at fair value: defined benefit pension plan assets, derivatives and contingent consideration.

On 23 March 2023 the consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the Directors.

The preparation of financial statements in accordance with UK adopted international accounting standards requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement and areas where assumptions and estimates are significant in relation to the consolidated financial statements are discussed in the significant accounting judgements and estimates note.

These financial statements are presented for the year ended 31 December 2022.

Going concern

The Group's activities, financial performance, position, cash flows and borrowing facilities, together with the factors likely to affect its future development, performance and position over the 12 months from the date of this report are described in this report.

At 31 December 2022, the Group had cash and cash equivalents of $78.8 million and an undrawn RCF available of $320 million, giving liquidity headroom of $398.8 million.

The Group is subject to a leverage covenant tested quarterly and had significant headroom at 31 December 2022.

The Group has performed an assessment of going concern through modelling several scenarios. The base case scenario reflects the budget for 2023 and the strategic plan financials for 2024, which assumes current market conditions are maintained. A severe but plausible downside scenario has also been modelled, which assumes a deterioration in revenue from the base case of 10% in 2023. This scenario could arise if the global economy enters a prolonged period of deep recession, although as noted in the Strategic Report, the end market for healthcare services is largely unaffected by the economic environment. This scenario includes additional cost reduction actions available, mainly in relation to reductions in headcount. There are further cost mitigating and cash saving actions that could be taken by management in the event this became necessary.

In all scenarios modelled, the Group would retain liquidity and covenant headroom throughout the going concern period.

After reviewing the Group's performance, future forecasted profits and cash flows, and ability to draw down on its facilities, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Company's and the Group's financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Basis of consolidation

The Group's financial statements include the financial statements of the company and all of its subsidiaries and the Group's interests in joint ventures and associates using the equity method of accounting.

Appendix 2 includes details of the Group's subsidiaries and associates and forms part of these financial statements.

New and amended standards and interpretations effective in the year

There were no new or amended standards or interpretations applied for the first time during the year that had a significant impact on the financial statements.

Standards and interpretations issued and amended but not yet effective or early adopted

There are no new or amended accounting standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements which we expect to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Accounting for subsidiaries, joint ventures and associates

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. In assessing control, potential voting rights that currently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases.

Intragroup balances and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the Group financial statements. Unrealised gains arising from transactions with equity accounted joint ventures are eliminated against the investment to the extent of the Group's interest. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

Joint ventures are those entities where the rights are to share in the net assets and over whose activities the Group has joint control, established by contractual arrangement and requiring unanimous consent for strategic, financial and operational decisions. An associate is an enterprise over which the Group has significant influence, but not control, through participation in the financial and operating policy decisions of the investee.

Joint ventures and associates are included in the financial statements using the equity method of accounting, from the date that joint control and significant influence commence, until the date that joint control and significant influence cease. The Income Statement reflects in operating profit, the Group's share of profit after tax of its equity accounted investments. The Group's interest in the net assets of equity accounted investments is included in the Balance Sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post-acquisition retained profits or losses and other comprehensive income less dividends received from the joint ventures and associates.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

On acquisition of a business, all of the assets and liabilities of that business that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with completed business combinations are recognised in the income statement within operating expenses as incurred.

Where the consideration for the acquisition includes a deferred contingent consideration arrangement, this is measured at fair value at the acquisition date. Any subsequent changes to the fair value of the contingent consideration are adjusted against the cost of the acquisition if they occur within the measurement period of 12 months following the date of acquisition and relate to events and circumstances existing at acquisition. Any subsequent changes to the fair value of the contingent consideration for events and circumstances that did not exist at acquisition or after the measurement period are recognised in the income statement within highlighted items.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Intangible assets – acquired

Intangible assets that are acquired by the Group in a business combination are stated at cost less accumulated amortisation and impairment losses, when separable or arising from contractual or other legal rights and when they can be measured reliably. Acquired intangible assets comprise separable corporate brand names, customer relationships and technology. Intangible assets are amortised systematically over their estimated useful lives, which vary from 6 months to 24 years depending on the nature of the asset. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful lives of the intangible assets. These intangible assets are reviewed for impairment in any periods in which events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible assets – cloud computing software

Cloud Computing Computer software and associated expenditure relating to cloud computing-based arrangements are those over which the Group does not have possession of the underlying software, but accesses on an as-needed basis. This right to receive access does not provide the Group with a software asset. The access to the software is a service that the Group receives over the contractual term and is expensed as incurred.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Intangible assets – non-cloud computing software

Computer software (excluding cloud computing-based arrangements), including computer software which is not an integrated part of an item of computer hardware, is stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and any other directly attributable costs. Internally generated computer software is recognised if it meets the following criteria:

- An asset can be separately identified;
- It is probable that the asset created will generate future economic benefits;
- The development cost of the asset can be measured reliably;
- It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met. Computer software is amortised over its expected useful life, which ranges from 2 to 10 years, by charging equal instalments to the income statement from the date the assets are ready for use.

Initial recognition and measurement

An intangible asset is initially recognised at cost if:

- It is probable that future economic benefits that are attributable to the asset will flow to the entity; and
- The cost of the asset can be measured reliably.

These criteria are most important in assessing the recognition of internally generated intangible assets. When an intangible asset is acquired in a business combination, these criteria are assumed to be met.

The cost of an internally generated intangible asset includes the directly attributable expenditure of preparing the asset for its intended use.

Subsequent expenditure

Subsequent expenditure to add to, replace part of, or service an intangible asset is recognised as part of the cost of an intangible asset if an entity can demonstrate that the item meets:

- The definition of an intangible asset: and
- The general recognition criteria for intangible assets.

Property, plant and equipment

Property, plant and equipment are stated at their historical cost less accumulated depreciation and any recognised impairment losses. Depreciation is calculated, on a straight-line basis on cost less estimated residual value, to write property, plant and equipment off over their anticipated useful lives using the following annual rates:

Land and Buildings	
• Freehold land	not depreciated
• Freehold buildings	2-7%
Motor vehicles	20-25%
Equipment, fixtures and fittings	10%–35%
Assets under construction	not depreciated

Leasehold improvements are amortised over the shorter of the useful economic life or the period of the lease, from three to 15 years.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

The residual value of assets, if not insignificant, and the useful life of assets are reassessed annually. Gains and losses on disposals are determined by comparing the consideration received with the carrying amount at the date of disposal and are included in operating profit.

Assets Held for Sale and discontinued operations

Non-current assets and disposal groups that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. These assets are shown in the Balance Sheet at the lower of their carrying amount and fair value less any disposal costs. Impairment losses on initial classification as assets held for sale and subsequent gains or losses on remeasurement are recognised in the Income Statement.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is represented as if the operation had been discontinued from the start of the comparative year.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the acquisition date.

Goodwill is measured as the excess of the fair value of the consideration, the amount of any non-controlling interest, and the fair value of any previously held interest in the acquiree over the net fair value of the identifiable assets and liabilities assumed. When the fair value of the identifiable assets and liabilities acquired exceeds the cost of the acquisition, the values are reassessed and any remaining gain is recognised immediately in the Income Statement. Goodwill is subsequently carried at cost less accumulated impairment losses. Goodwill is allocated to the cash generating units (CGUs) that are expected to benefit from the combination's synergies. This is the lowest level at which goodwill is monitored for internal management purposes.

Goodwill is not amortised but is reviewed for impairment annually and in any period in which events or changes in circumstances indicate the carrying value may not be recoverable. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value-in-use and fair value less costs of disposal. Any impairment is recognised immediately as an expense in the Income Statement and is not subsequently reversed.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill disposed of on a partial disposal of a CGU is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (which are recognised based on recoverability), are reviewed on an annual basis to determine whether there is any indication of impairment. If such an indication exists, then the asset is tested for impairment.

The recoverable amount of a non-financial asset or CGU is the greater of its fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets (the CGU). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. All impairment losses are recognised in the Income Statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of a provision account. When a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision are recognised in the income statement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Leasing

Group entities as a lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Such leases are expensed to the Income Statement over the term of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, discounted using the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Incremental borrowing rates are calculated using a portfolio approach and are determined using observable inputs (corporate bond yields) based on the risk profile of the entity holding the lease, and the term and currency of the lease. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before the commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is determined to be shorter than the lease term.

The Group also assesses the right-of-use asset for impairment when such indicators exist.

When the estimate of the term of any lease is revised, for example due to reassessing the probability of exercising an extension or termination option, the carrying amount of the lease liability is adjusted to reflect the payments to be made over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is also revised when the variable element of future lease payments dependent on a rate or index is revised, except in this case the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining revised lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification. If the renegotiation results in one or more additional assets being leased for an amount equal to the standalone price for the additional right-of-use assets obtained, the modification is accounted for as a separate lease in accordance with the above policy. In all other cases where the renegotiation increases the scope of the lease, the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount. If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that include both a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to separate the non-lease components and exclude these from the lease liability calculations.

On the consolidated balance sheet, right-of-use assets and lease liabilities have been disclosed separately.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Subleases

A sublease involves the re-leasing by the Group of an underlying right-of-use asset to a third party, while the head lease between the original lessor and the Group remains in effect. Sublease are classified as operating or finance by reference to the right-of-use asset. On the basis that subletting gives rise to a finance lease, the Group derecognises the right-of-use asset (or portion of it) relating to the head lease that it transfers to the sub lessee and recognise the net investment in the sub lease as a finance lease receivable. Depreciation ceases at the point when the right-of-use asset is derecognised. The Group recognises any difference between the right-of-use asset and the finance lease receivable in the Income Statement. The finance lease receivable is unwound over the term of the sublease and the Group recognises finance income on the sublease. The carrying value of the finance lease receivable is assessed for impairment.

Revenue

Revenue is recognised for identified contracts with customers. Revenue comprises the fair value of the consideration receivable for goods and services sold to third party customers in the ordinary course of business. It excludes sales-based taxes and is net of allowances for volume-based rebates and early settlement discounts.

It is the Group's policy and customary business practice to receive a valid order from the customer in which each parties' rights and payment terms are established. The Group assesses revenue contracts to determine the transaction price and performance obligations to be delivered to customers under contract. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling price. The Group's contracts with customers generally include a single performance obligation and do not contain multiple performance obligations or bundled pricing arrangements.

If the consideration in a revenue contract includes a variable amount (including volume rebates), the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. Accumulated experience is used to estimate and provide for discounts and rebates, using the most likely amount estimation method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. In some of the Group's revenue contracts, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group recognises revenue as the amount of the transaction price expected to be received for goods and services supplied at a point in time or over time as the contractual performance obligations are satisfied and control passes to the customer. Revenue is recognised when a customer obtains control of a good or service and therefore has the ability to direct the use and obtain the benefits from the good or service. Revenue is recognised over time where (i) there is a continuous transfer of control to the customer; or (ii) there is no alternative use for any asset created and there is an enforceable right to payment for performance completed to date. Other revenue contracts are recognised at a point in time when control of the good or service transfers to the customer.

Where the contractual performance obligations are satisfied over time and revenue is recognised over time, the Group recognises revenue by reference to the estimated stage of completion of the performance obligations. Methods of estimating stage of completion of over time revenue contracts includes the input method of cost incurred to date over the estimated total cost to complete the revenue contract or number of hours worked at the agreed rate, subject to any fee cap, where applicable. Estimates of revenues, costs and stage of completion during the performance of a contract are revised where circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known. Where performance obligations are satisfied at a point in time, revenue is recognised when the risks and rewards of ownership have transferred to the customer. This is at the point where the product is delivered to the customer and there are no unfulfilled obligations that could affect the customer's acceptance of the product.

In the Group's contracts where another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of control over a specified good or service in delivery to the customer, including considering amongst other things, who has responsibility for the service. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer and where it is considered to have responsibility for the goods provided. In circumstances where this is not the case, the Group's role is as an agent and revenue is recognised at the net amount that it retains for its agency services.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Dividends

Dividends are recognised as a distribution in the period in which they are approved by the Company's shareholders.

Foreign currencies

US Dollars is the functional currency of the Company and the presentational currency of the Group. Transactions denominated in foreign currencies are initially translated at the exchange rate prevalent at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevalent at the balance sheet date. Non-monetary assets and liabilities that are measured based on historical cost are not subsequently re-translated.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to US dollars at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to US dollars at the average exchange rate for the financial period. Foreign exchange differences arising on translation of foreign operations, including those arising on long-term intra-Group loans deemed to be quasi-equity in nature, are recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve within Equity.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

The Group does not currently have any hedges classified as fair value hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in accumulated other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated other comprehensive income must be accounted for depending on the nature of the underlying transaction as described above.

Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Other Comprehensive Income to the extent that the hedge is effective and are presented within Equity in the foreign exchange translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Financial guarantee contracts

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other parties, the Group considers these to be insurance arrangements and accounts for them as such. The Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

Share-based payment transactions

The Group operates a Management Incentive Plan which allows Directors and members of management to acquire shares in the Company. The scheme is an equity settled arrangement under IFRS 2 *Share-based Payments*. The fair value of share-based payment instruments offered to employees is recognised as an employee expense, with a corresponding increase in equity, over the estimated period to an exit event, being a listing or sale. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service condition is expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service condition on exit.

Highlighted items

The Group presents highlighted items charged and credited to loss before tax by adjusting for costs and credits which management believe to be significant by virtue of their size, nature or incidence. The Group uses these adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting. Refer to Appendix 1 Non-IFRS Measures. The Group uses these adjusted measures to evaluate performance.

Such items would include, but are not limited to, costs associated with business combinations and disposals, restructuring costs, investments in financial systems, impairment of goodwill and other intangible assets, and amortisation of intangible assets (excluding software) arising on business combinations. Further information included in Note 6.

In addition, the Group presents an adjusted profit after tax measure by making adjustments for certain tax charges and credits.

Finance income and costs

Finance income comprises interest income on lease receivables and funds invested and, changes in the fair value of financial assets measured at fair value through profit or loss that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprises interest expense on borrowings and unwinding of the discount on provisions that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest rate method.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Pension obligations

A defined contribution pension plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement as incurred.

A defined benefit plan is a post-employment plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior years, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense/(income) on the net benefit liability/(asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the then net benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the year as a result of contributions and benefit payments. The discount rate applied is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Taxation

Income tax expense comprises current and deferred tax. Tax is recognised in the income statement except where it relates to items taken directly to the consolidated statement of other comprehensive income or equity. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantially enacted by the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash comprises cash on hand and balances with banks and similar institutions. Cash equivalents comprise bank deposits which are readily convertible to known amounts of cash and with a maturity of six months or less and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables and other receivables are measured initially at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

The Group recognises a provision for impairment for trade receivables by applying the simplified approach permitted by IFRS 9 to apply a lifetime expected credit loss provision for trade receivables. Impairment losses on trade and other receivables are recognised in profit or loss. The approach to measuring the provision for impairment of trade receivables is outlined in Note 14 below.

Financial instruments

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial instruments are recognised when the Group becomes a party to the contractual provisions. Financial assets and financial liabilities are initially recognised at fair value. For financial instruments that are not measured at fair value through profit or loss, transaction costs are included in the initial measurement of the financial asset or financial liability.

Financial assets are classified as measured at:

- Amortised cost;
- Fair value through profit or loss (P&L); or
- Fair value through other comprehensive income (OCI).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Financial liabilities are classified as measured at:

- Amortised cost; or
- Fair value through P&L.

Financial liabilities are derecognised when the Group's obligations in the contracts are discharged, expire or are terminated. Where a financial liability is modified such that the cash flows of the modified liability are substantially different, the existing financial liability is derecognised and a new financial liability based on the modified terms is recognised at fair value. On recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings, are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings using the effective interest rate method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options.

Trade and other payables

Trade payables and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, as set out above, with interest expense recognised on an effective yield basis.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the amounts involved are material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects the current market assessment of the time value of money and, when appropriate, the risks specific to the liability. Where discounting is applied to provisions, the increase in the value of the provision due to the passage of time is recognised as a finance cost.

Acquisitions made by the Group typically involve an earn-out arrangement whereby the consideration payable includes a deferred element that is contingent on the future financial performance of the acquired entity. No material contingent consideration will become payable unless the acquired entity delivers revenues or profits during the earn-out period that are greater than those used for calculating the initial consideration. The provision for deferred contingent consideration is recorded at fair value, which is the present value of the amount expected to be paid in cash or shares. The provision represents the Directors' best estimate of future business performance based on internal business plans.

Certain acquisitions made by the Group include a put/call option to purchase the non-controlling interests' equity share at a future date, payable in either cash or a combination of cash and shares at the Company's option, which is contingent on the future financial performance of the acquired entity. These are classified as redemption liabilities in the notes to the financial statements. The provision is recorded at fair value, which is the present value of the amount expected to be paid in cash or shares. The provision represents the Directors' best estimate of future business performance based on internal business plans. The corresponding entry on initial recognition is to the Put Option Reserve.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Significant accounting judgements and key sources of estimation uncertainty

(a) Carrying value of goodwill (Note 10)

The Group tests annually whether goodwill has suffered any impairment, in accordance with the procedures set out in Note 10. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The value-in-use calculation requires the Directors to estimate the future cash flows expected to arise from each cash-generating unit. For each CGU, the forecast cash flows for the first five years are based on the 2023 financial budget approved by the Directors, adjusted based on past experience and historic trends. Growth rates in years two to five are based on management's medium-term forecasted revenue and operating margins for each of the businesses. After the initial five-year forecast period a long-term growth rate has been applied to the cash flow forecasts into perpetuity. This growth rate is based on an estimate of the long-term average growth rate for the market that each CGU operates in.

(b) Revenue recognition

Revenue is recognised over time where (i) there is a continuous transfer of control to the customer; or (ii) there is no alternative use for any asset created and there is an enforceable right to payment for performance completed to date. Determining the stage of completion of contracts to recognise revenue involves estimation techniques, particularly where the contract duration spans accounting periods.

The Group recognises revenue on projects based on the proportion of work completed at the balance sheet date.

Judgement is required in assessing the fair value of the proportion of work completed and hence the appropriate value of revenue to be recognised in the year. Management make this judgement using estimates of expected hours required to complete the project against the budget, alongside any milestones set out in the contract.

For fixed fee projects, revenue is only recognised once the final outcome can be assessed with reasonable certainty. The stage of completion is determined relative to the total number of hours or significant milestones expected to complete the work or provision of services as this reflects the satisfaction of the performance obligations within the contract.

(c) Retirement benefit obligations (Note 8)

The estimation of and accounting for retirement benefit obligations involves judgements made in conjunction with independent actuaries. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis. These involve estimates about uncertain future events based on the environment in different countries, including life expectancy of scheme members, future salary and pension increases and inflation as well as discount rates. The assumptions used in determining the net cost (income) for pensions include the discount rate. The assumptions used by the Group and a sensitivity analysis of a change in these assumptions are described in Note 8.

(d) *Going concern*

Judgement is required in performing the Group's going concern assessment as it requires estimates of forecast future profits and cash flows to be made in order to assess future covenant compliance over the forecast period which involves reviewing and stress testing cash flow forecasts to determine the scale of a scenario that would cause a breach of loan covenants. At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and are forecasting to remain in compliance with future covenant facility requirements. Accordingly, they continue to adopt the going concern basis of preparation in the financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Significant accounting judgements and key sources of estimation uncertainty (continued)

(e) Valuation of separately identifiable intangible assets (Note 3 and Note 10)

To determine the value of separately identifiable intangible assets in a business combination, the Group is required to make judgements when utilising valuation methodologies.

These methodologies include the use of discounted cash flows, revenue forecasts and the estimates for the useful economic lives of intangible assets. There are significant judgements involved in assessing what amounts are recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as brands and customer relationships. These judgements impact the amount of goodwill recognised on acquisitions.

Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3. Details of acquisitions in the year are set out in Note 3.

(f) Income tax expense (Note 9)

The Group is subject to income tax in a number of jurisdictions, and significant judgement and degree of estimation is required in determining the worldwide provision for taxes. There are many transactions and calculations during the ordinary course of business, for which the ultimate tax determination is uncertain and the complexity of the tax treatment may be such that the final tax charge may not be determined until formal resolution has been concluded with the relevant tax authority which may take extended time periods to conclude. Also, the Group can be subject to uncertainties, including tax audits in any of the jurisdictions in which it operates, which are frequently complex taking many years to conclude. Amounts accrued for anticipated tax authority reviews are based on estimates of whether any additional amounts of tax may be due. Such estimates are determined based on a number of factors including management judgement, interpretation of relevant tax laws, correspondence with the tax authorities, advice from external tax professionals and a probability weighted expected value.

The ultimate tax charge may, therefore, be different from that which initially is reflected in the Group's consolidated tax charge and provision and any such differences could have a material impact on the Group's income tax charge and consequently financial performance. Where the final tax charge is different from the amounts that were initially recorded, such differences are recognised in the income tax provision in the period in which such determination is made.

(g) Provisions (Note 18)

The amounts recognised as a provision are management's best estimate of the expenditure required to settle present obligations at the balance sheet date. The outcome depends on future events which are by their nature uncertain. In assessing the likely outcome, management bases its assessment on historical experience and other factors that are believed to be reasonable in the circumstances.

Deferred and contingent consideration and redemption liabilities are recognised in the Consolidated Balance Sheet as provisions. The expected payment is determined separately in respect of each individual consideration agreement taking into consideration the expected level of profitability of each acquisition. Deferred and contingent consideration and redemption liabilities are recognised at fair value at the acquisition date. Deferred and deferred contingent consideration is included in the cost of the acquisition. Redemption liabilities are debited to the put option reserve. Values are based on earn-out agreements providing for future payment if certain profit and revenue (if applicable) targets of the acquiree are achieved. The fair value is estimated using an income-based approach of estimating the expected payment from forecasts of performance of acquired businesses and discounting the expected payment on the consideration to present value using an appropriate discount rate.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Significant accounting judgements and key sources of estimation uncertainty (continued)

(h) Leases (Note 12)

Judgement is used in determining whether an extension or termination option will be exercised. Extension options and periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. All facts and circumstances that create an incentive to exercise an extension option or to not exercise a termination option are considered, including:

- If there are significant penalties to terminate a lease, the Group is typically reasonably certain to not terminate the lease.
- If the rental terms are favourable to current market terms, the Group is typically reasonably certain to extend the lease, or to not exercise a termination option.
- If leasehold improvement assets are considered to have a significant remaining value, the Group is typically reasonably certain to extend the lease, or to not terminate the lease.

Other factors considered in determining whether a lease extension option or lease termination option will be exercised include historical lease durations, the availability of alternative similar properties in the market, and the costs and business disruption to replace the leased asset. The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3. Acquisitions

The acquisitions completed during the year ended 31 December 2022 by reportable segment, together with the completion dates, are detailed below; these transactions entailed the acquisition of an effective 100% stake except where indicated to the contrary.

MarComms

Evolution Road LLC – 21 November 2022

Evolution Road is a US based digital innovation company in life science omnichannel, digital marketing and digital health strategy. Evolution Road enhances Inizio MarComms' commercial innovation offering, digital health solutions, and end-to-end omnichannel suite of services.

Melt Media – 1 May 2022

MeltMedia is a US based award-winning provider of digital strategy, design, and development services to the life science industry. The acquisition expands the strength and capabilities of Inizio MarComms' omnichannel marketing, digital transformation, and marketing technology and automation practices.

Advisory

Research Partnership – 28 February 2022

Research Partnership is a leading global healthcare market research and insights company. The acquisition significantly strengthens and complements the existing Inizio Advisory offering and Research Partnership will form a new specialist pillar within the business.

Engage

Propensity4 Smart Data LLC – 28 February 2022 (the Group acquired the remaining 80% of the membership interest, having acquired 20% in 2021)

Propensity4, is a US based 'smart data' organization and leader in the healthcare insights and analytics arena. The acquisition further enhances Inizio Engage's capability to apply analytical expertise to existing data to redesign programs which increase return on investment across commercial, patient engagement and medical affairs services, and improve patient outcomes.

Accordience

Advicepartners GmbH – 30 May 2022

Advicepartners is a public affairs business registered in Germany.

Cirkle Partnership Limited – 1 April 2022

Cirkle is a UK-based PR agency that specialises in brand communications for a variety of industries.

Acquisition accounting has been performed in accordance with IFRS 3 *Business Combinations* for all acquisitions.

The Group results for the year included the following amounts in respect of the business acquired during the year:

	2022 $000 (unaudited)
Revenue	**75,641**
Loss after tax for the financial year	**(1,364)**

The revenue and profit of the Group for the year, had the acquisitions taken place at the start of the reporting year would have been as follows:

	2022 $000 (unaudited)
Revenue	**2,138,635**
Loss after tax for the financial year	**(416,154)**

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3. Acquisitions (continued)

The provisional fair values of the net assets at the date of acquisition were as follows:

	Advice partners	Cirkle	Evolution Road	Melt Media	Propensity4	Research Partnership	Total
	$000	$000	$000	$000	$000	$000	$000
Customer relationships	-	7,745	8,800	3,700	5,530	71,482	**97,257**
Brands	-	394	100	300	170	12,414	**13,378**
Other intangible assets arising on acquisition (contracts)	-	1,313	600	800	1,460	3,604	**7,777**
Property, plant and equipment	63	78	-	31	-	246	**418**
Right-of-use assets	-	248	-	1,091	-	65	**1,404**
Trade and other receivables	177	3,410	2,270	1,869	957	17,443	**26,126**
Cash and cash equivalents	322	1,889	641	3,338	2,197	18,056	**26,443**
Trade and other payables	(182)	(3,897)	(1,283)	(341)	(297)	(15,969)	**(21,969)**
Deferred tax liabilities	-	(2,514)	(172)	(95)	(170)	(21,866)	**(24,817)**
Lease liabilities	-	(226)	-	(2,183)	-	-	**(2,409)**
Current income tax liabilities	-	(631)	-	-	-	(366)	**(997)**
Net identifiable assets acquired	380	7,809	10,956	8,510	9,847	85,109	**122,611**
Provisional goodwill arising on acquisition	1,017	9,065	14,887	9,125	12,872	132,497	**179,463**
Net assets acquired	1,397	16,874	25,843	17,635	22,719	217,606	**302,074**
Discharged by:							
Cash consideration	861	9,865	16,000	14,268	20,177	216,001	**277,172**
Existing interest in associate undertaking measured at fair value	-	-	-	-	2,542	-	**2,542**
Deferred consideration	-	-	701	-	-	-	**701**
Deferred contingent consideration	536	7,009	9,142	3,367	-	1,605	**21,659**
Total consideration	1,397	16,874	25,843	17,635	22,719	217,606	**302,074**
Net cash outflow arising on acquisition:							
Cash consideration	861	9,865	16,000	14,268	20,177	216,001	**277,172**
Cash and cash equivalents acquired	(322)	(1,889)	(641)	(3,338)	(2,197)	(18,056)	**(26,443)**
	539	7,976	15,359	10,930	17,980	197,945	**250,729**

The table above reflects the provisional fair value of the identifiable net assets acquired in respect of the acquisitions completed during the year. Any amendments to fair values will be made within the twelve-month period from the date of acquisition, as permitted by IFRS 3 *Business Combinations*.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

3. Acquisitions (continued)

Goodwill is attributable to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. The significant factors giving rise to the goodwill include the value of the workforce and management teams within the business acquired and the enhancement of the competitive position of the Group in the marketplace. $36.8 million of the goodwill is expected to be deductible for tax purposes.

The deferred contingent consideration on acquisitions is payable to the sellers from 2023 financial year through 2026 financial year. The deferred contingent consideration is based on a range of net revenue and EBITDA targets. The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payments to present value at the acquisition date. For contingent consideration to become payable, the pre-defined net revenue and EBITDA thresholds must be achieved by the acquired business. On an undiscounted basis, future payments for which the Group may be liable in respect of the current year acquisitions range from $nil to $40.5 million.

Acquisition-related costs of $9.9 million were incurred for acquisitions completed in 2022 and these are included within operating expenses in the consolidated income statement. Further information is included in Note 6.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

4. Revenue and operating profit analysis

Revenue and operating profit information is presented in respect of the Group's operating segments. The operating segments are based on the Group's management and internal reporting structure. Inter-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis

The Group's operations are divided into the following operating segments:

- MarComms
- Medical
- Advisory
- Engage
- Accordience (previously Communications, the segment was renamed during the current year)

These divisions are the basis on which information is reported to Group's Board of Directors. The segment result is the measure used for the purposes of performance assessment and represents operating profit earned by each segment, but before highlighted operating expenses, net finance costs and taxation.

Details of the types of services from which each segment derives its revenues are included within the Strategic Report. The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

Revenue and operating profit before highlighted items

	MarComms	**Medical**	**Advisory**	**Engage**	**Accordience**	**Total**
Year ended 31 December 2022	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Revenue	**505,045**	**390,132**	**309,228**	**748,313**	**148,845**	**2,101,563**
Operating profit before highlighted items*	**100,055**	**103,627**	**69,207**	**79,951**	**15,462**	**368,302**

	MarComms	Medical[1]	Advisory[1]	Engage	Accordience	Total
Year ended 31 December 2021	$000	$000	$000	$000	$000	$000
Revenue	343,674	278,393	99,651	298,629	150,663	1,171,010
Operating profit before highlighted items*	67,493	73,331	20,889	27,202	17,667	206,582

**Highlighted items are not presented to the Board on a segmental basis.*

[1] In 2022 Creativ-Ceuticals moved to the Advisory segment for the purposes of management reporting. Hence, the segment revenue, operating profit and the balance sheet for Creativ-Ceuticals group have been restated to include it within the Advisory segment for 2021.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

4. Revenue and operating profit analysis (continued)

A reconciliation of operating profit before highlighted items to total loss before tax is provided below.

	Notes	2022 $000	2021 $000
Segment operating profit before highlighted items		**368,302**	206,582
Central costs		**(58,994)**	(25,199)
Operating profit before highlighted items		**309,308**	181,383
Highlighted items in operating profit	6	**(546,144)**	(267,371)
Operating loss		**(236,836)**	(85,988)
Net finance costs	7	**(178,917)**	(105,444)
Loss before tax		**(415,753)**	(191,432)

Central costs comprise central head office costs which are not considered directly attributable to any segment.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

5. Operating loss

Operating loss is stated after charging/(crediting):

	Note	2022 $000	2021 $000
Depreciation of property, plant and equipment	11	**12,029**	8,593
Depreciation for right-of-use assets	12	**24,563**	19,183
Amortisation of intangible assets (software development)	10	**1,565**	1,172
Amortisation of acquired intangible assets	10	**128,678**	62,726
Loss on disposal of property, plant and equipment	11,26(a)	**901**	62
Net foreign exchange gain		**(19,020)**	(1,406)
Lease rentals on short-term and low-value leases arising under IFRS 16	12	**5,150**	2,807
Sub-lease income	12	**(1,938)**	(556)
Employee costs	8	**1,068,014**	606,058
Impairment of intangible assets and goodwill	10	**354,867**	809
Impairment of property, plant and equipment	11	**7,513**	3,153
Impairment of right-of-use assets	12	**11,705**	4,870
Impairment of financial assets	17	**8,631**	-

Auditor's remuneration	**2022 $000**	2021 $000
Fees payable to the Company's auditors for the statutory audit of the Company and consolidated annual financial statements	**2,107**	1,574
Fees payable to the Company's auditors and their associates for other services:		
Audit-related assurance services	**26**	32
Audit of the financial statements of the Company's subsidiaries	**134**	-
Taxation compliance services	**824**	-
Other taxation advisory services	**2,694**	-
Other non-audit services	**836**	2,707

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

6. Highlighted items

Highlighted items charged and credited to the income statement comprise significant non-cash charges and non-recurring items.

	Note	2022 $000	2021 $000
Reported loss before tax		**(415,753)**	(191,434)
Highlighted items charged to operating expenses:			
Amortisation of acquired intangible assets	10	**128,678**	62,726
Acquisition and transaction-related costs		**9,862**	159,647
Remeasurement of deferred consideration and redemption liabilities	18	**1,088**	21,772
Restructuring and integration costs		**51,257**	22,785
Investment in financial systems		**5,613**	2,816
Intangible asset and goodwill impairment	10	**354,867**	-
Management Incentive Plan charge	8	**1,257**	-
Equity accounted investments impairment	17	**8,631**	-
Foreign exchange gain on long term loans		**(15,109)**	-
Disposal-related expense		**-**	(2,375)
Total highlighted items charged to operating expenses		**546,144**	267,371
Highlighted items charged to finance costs:			
Imputed interest on deferred consideration and redemption liability	7	**3,683**	4,912
Total highlighted items charged to loss before tax		**549,827**	272,283
Adjusted profit before tax and highlighted items		**134,074**	80,851

	Note	2022 $000	2021 $000
Total highlighted items charged to loss before tax		**549,827**	272,283
Taxation credit on highlighted items - continuing		**(41,754)**	(21,455)
Charged to loss for the year		**508,073**	250,828

The Group presents highlighted items charged and credited to loss before tax by adjusting for costs and credits which management believe to be significant by virtue of their size, nature or incidence. The Group uses these adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

Amortisation of acquired intangible assets

Intangible assets arising on business combinations are amortised systematically over their estimated useful lives, which vary from 6 months to 24 years depending on the nature of the asset. The amortisation charge in respect of intangible assets (excluding software) is excluded from adjusted results as they relate to historic business combinations rather than normal ongoing operations.

Acquisition and transaction-related costs

In 2022 costs were incurred relating to the acquisition of subsidiaries Advicepartners, Cirkle Partnership, Evolution Road, Melt Media, Propensity4 and Research Partnership. These costs are excluded from adjusted results as they are one-off in nature.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

6. Highlighted items (continued)

Remeasurement of deferred consideration and redemption liability

Following review of expected performance of acquired business against earn-out targets and subsequent remeasurement of the fair value of redemption liabilities, there was an increase in the fair value of deferred contingent consideration and redemption liabilities. These charges are excluded from adjusted results as they relate to historic business combinations rather than ongoing operations.

Restructuring and integration costs

Restructuring and integration costs were incurred relating to the restructure of the Group. Costs have been incurred in 2022 pertaining to the ongoing integration of the legacy Huntsworth and UDG businesses. Property costs related to costs associated with property consolidations across the Group, impairments and provisions for costs associated with vacant offices are included as part of restructuring and integration costs.

Investment in financial systems

Investment in financial systems relate to costs primarily associated with the implementation of Oracle Fusion, Oracle EPM and Financial Force across the Group.

Intangible asset and goodwill impairment

An impairment charge has been recorded arising from the annual goodwill impairment test required to be performed by IAS 36. Further detail is included in note 10. Further costs have been incurred relating to impairment of software assets no longer in use.

MIP charge

The MIP charge relates to the IFRS 2 charge as described in Note 8.

Equity accounted investments impairment

An impairment charge has been recognised on the investment in the Groups joint venture, CMIC Ashfield Co., Ltd. The impairment charge has arisen due to an increase in the discount rate to 13% (2021: 11%). Further detail is included in Note 17.

Foreign exchange gain on long term loans

An unrealised foreign exchange gain of $15.1 million has been recognised on non-US Dollar denominated long term loans.

Imputed interest on deferred consideration and redemption liability

Amounts payable as deferred contingent consideration and the redemption liability contain a significant financing component. This represents the unwinding of the financing component.

Taxation

The tax related to highlighted items is the tax effect of the items above.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

7. Finance costs and income

	Note	**2022**	2021
		$000	$000
Bank interest payable		**169,043**	94,676
Interest on lease liabilities under IFRS 16	12	**7,148**	6,976
Imputed interest on deferred consideration and redemption liability	6	**3,683**	4,912
Finance costs		**179,874**	106,564
Bank interest receivable		**(626)**	(69)
Net finance income on defined benefits plan		**(56)**	(18)
Other interest receivable		**(275)**	(1,033)
Finance income		**(957)**	(1,120)
Net finance costs relating to continuing operations		**178,917**	105,444
Net finance costs relating to discontinued operations	27	**-**	512

The increase in bank interest payable reflects ongoing funding of the business, refer to Note 21 for further detail.

8. Employee information

	2022	2021
The average number of employees during the year was:	**Number**	Number
MarComms	**1,441**	912
Medical	**2,074**	1,555
Advisory	**1,177**	258
Engage	**4,882**	2,079
Accordience	**828**	760
Centre	**173**	57
Discontinued operations	**-**	655
Total	**10,575**	6,276

A further 875 personnel are employed in the Group's joint venture.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

The aggregate employee costs recognised in the Consolidated Income Statement are as follows:

	2022	2021
	$000	$000
Employee costs of all employees including Directors:		
Wages and salaries	**955,736**	546,892
Social security costs	**86,270**	47,206
Pension costs – defined contribution schemes	**23,624**	11,960
Management Incentive Plan (MIP) costs	**1,257**	-
Defined benefit settlement costs	**1,127**	-
Total employee costs included in operating expenses	**1,068,014**	606,058

	2022	2021
	$000	$000
Emoluments of Directors holding office during the year	**5,175**	6,967
Number of Directors holding office during the year accruing benefits under:		
Defined contribution schemes	**3**	3

The highest paid Director holding office at 31 December 2022 received remuneration of $2.1 million.

The Company did not contribute to a defined contribution pension scheme in respect of the highest paid Director.

Certain directors are not remunerated for services provided to this Company.

(i) Defined contribution schemes

The Group contributed to a number of defined contribution schemes during the year, the assets of which are vested in independent trustees for the benefit of members and their dependents.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

(ii) Defined Benefit Schemes

The following amount was recognised on the Consolidated Balance Sheet of the Group in respect of the employee benefit schemes at 31 December 2022:

	2022 $000	2021 $000
Employee Benefits	**4,478**	5,962

The Group operates a number of defined benefit schemes at 31 December 2022

	2022 $000	**2021 $000**
Republic of Ireland defined benefit schemes (ROI schemes)	**4,478**	5,962
Net surplus	**4,478**	5,962

The defined benefit schemes operated by the Group are funded by the payment of contributions to separately administered trust funds. The contributions to the schemes are determined with the advice of independent qualified actuaries obtained at regular intervals using the projected unit method of funding. The defined benefit schemes are independently funded and the assets are vested in the independent trustees for the benefit of members and their dependents. The valuations are not available for public inspection but the results are advised to members of the schemes. The most recent full actuarial valuation was conducted at 31 December 2020.

The principal long-term financial assumptions used by the Group's actuaries in the computation of the defined benefit liabilities arising on pension schemes at 31 December are as follows:

	ROI 2022	ROI 2021
Rate of general long-term increase in accrued benefits	**2.40%**	2.00%
Increase in pensions	**0.00%**	0-2.00 %
Inflation rate	**2.40%**	2.00 %
Discount rate	**3.70%**	1.15 %

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

The schemes have a remeasurement loss of $54,000 in the current year. The discount rate increased over the year resulting in a reduction in the liabilities. Inflation expectations however increased offsetting the impact. The resultant net impact was a decrease in liabilities and an actuarial gain on the liabilities due to the change in the financial assumptions.

In the ROI schemes, there is no longer a salary increase assumption due to the accrual of pension benefit ceasing from 1 December 2015.

All schemes used certain mortality rate assumptions when calculating scheme obligations. These are based on advice from published statistics and experience in the geographic region. These assumptions will continue to be monitored in light of general trends in mortality experience. The average life expectancy of a pensioner at age 65, in years, is as follows:

	ROI 2022	ROI 2021
Current pensioners		
Male	**23.4**	23.4
Female	**25.4**	25.3
Future pensioners		
Male	**25.1**	25.1
Female	**27.0**	27.0

The market value of the assets in the pension schemes at 31 December 2022 were:

	%	**ROI 2022 $000**	ROI 2021 $000
Government Bonds:	**100%**	**15,704**	30,666
Cash	**0%**	**31**	8,871
Fair value of scheme assets		**15,735**	39,537
Present value of scheme obligations		**(11,257)**	(33,575)
Employee benefits asset		**4,478**	5,962
Deferred income tax liability		**(1,012)**	(1,345)
Net asset		**3,466**	4,617

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

Movements in fair value of plan assets

	ROI 2022 $000	ROI 2021 $000	US* 2021 $000	Total 2021 $000
At 1 January	**39,537**	-	-	-
Arising on acquisition	**-**	41,180	38,578	79,758
Interest income on plan assets	**346**	128	331	459
Employer contributions	**-**	345	-	345
Benefit payments	**(1,290)**	(368)	(462)	(830)
Return on plan assets excluding interest income	**(8,340)**	(69)	(88)	(157)
Settlements**	**(11,960)**	**-**	-	-
Disposal of subsidiaries	**-**	-	(38,359)	(38,359)
Translation adjustment	**(2,558)**	(1,679)	-	(1,679)
At 31 December	**15,735**	39,537	-	39,537

* This scheme relates to Sharp which was disposed of on 31 December 2021.
** A settlement loss of $1.1 million has been recognised on the buy-out of certain members from the scheme.

Movements in present value of defined benefit obligations

	ROI 2022 $000	ROI 2021 $000	U.S*. 2021 $000	Total 2021 $000
At 1 January	**33,575**	-	-	-
Arising on acquisition	**-**	34,120	33,595	67,715
Current service costs	**-**	-	1,556	1,556
Interest on scheme obligations	**290**	110	294	404
Benefit payments	**(1,290)**	(368)	(462)	(830)
Remeasurement gain/(loss)	**76**	520	(1)	519
Effect of changes in actuarial assumptions	**(8,362)**	604	(174)	430
Settlements**	**(10,833)**	-	-	-
Disposal of subsidiaries	**-**	-	(34,808)	(34,808)
Translation adjustment	**(2,199)**	(1,411)	-	(1,411)
At 31 December	**11,257**	33,575	-	33,575

* This scheme relates to Sharp which was disposed of on 31 December 2021.
** A settlement loss of $1.1 million has been recognised on the removal of certain members from the scheme.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

The remeasurement loss on the plan assets and present value of the defined benefit obligation are as follows:

	2022 $000	2021 $000
Return on plan assets excluding interest income	**(8,340)**	(157)
Remeasurement loss on experience variations	**(76)**	(519)
Effect of changes in actuarial assumptions:		
– Changes in demographic assumptions	**-**	(1,456)
– Changes in financial assumptions	**8,362**	1,028
Loss included in Consolidated Statement of Comprehensive Income	**(54)**	(1,104)

Defined benefit pension credit/(expense) recognised in the Consolidated Income Statement

The employee benefit credit/(expense) is analysed as:

	ROI 2022 $000	ROI 2021 $000	US 2021 $000	Total 2021 $000
Current service costs	**-**	-	(1,556)	(1,556)
Interest cost on scheme obligations	**(290)**	(110)	(294)	(404)
Interest income on scheme assets	**346**	128	331	459
	56	18	(1,519)	(1,501)
Continuing operations	**56**			18
Discontinued operations	**-**			(1,519)
	56			(1,501)

Accrual of pension benefits within the ROI schemes ceased with effect from 31 December 2015.

The tax effect relating to these items is disclosed in Note 9.

The expected employer's contribution for the year ended 31 December 2023 is $Nil.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

8. Employee information (continued)

Expected maturity analysis of undiscounted pension benefits

	Less than 1 year $'000	Between 1–2 years $'000	Between 2–5 years $'000	Between 6-10 years $'000
At 31 December 2022	**11**	**34**	**236**	**1,635**
At 31 December 2021	898	940	3,096	5,776

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses, for the Group's pension schemes, the estimated impact on plan obligations resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant. The impact on the defined benefit obligation at 31 December 2022 is calculated on the basis that only one assumption is changed with all other assumptions remaining unchanged. The assessment of the sensitivity analysis below could therefore be limited as a change in one assumption may not occur in isolation as assumptions may be correlated.

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease by 0.25%	↓4.7%↑ 5.0%
Inflation rate	Increase/decrease by 0.25%	↑2.2%↓ 2.1%
Mortality	Increase by one year	↑ 2.2%

(iii) Management Incentive Plan

Certain employees of the Group, including Directors and members of management (together "management"), were part of a Management Incentive Plan ("MIP") 2020 ("MIP 2020") under which they invested in certain Preference Shares and Ordinary Shares in CD&R Artemis Holdco 1 Limited and CD&R Artemis Holdco 2 Limited. The share purchases were funded by personal funds.

In March 2022, the MIP 2020 was modified and replaced with the Management Incentive Plan 2022 ("MIP 2022") as a result of which management now hold various classes of Preference Shares and Ordinary shares in Inizio Topco Limited (formerly CD&R Artemis Holdco 0.5 Limited) and CD&R Artemis Holdco 0.75 Limited.

Certain of these shares entitle management to cash payment equal to the market value even at the time of voluntary resignation whereas for the remaining ones, management is entitled to a cash payment equal to the lower of the initial issue price or market value at the time of voluntary resignation. For the former, the vesting date is considered to be the date of issue whereas for the latter, the vesting date is the estimated exit event date (date of estimated change of control or listing or winding up or asset sale) i.e., the date when the management become unconditionally entitled to such shares in full. All shares held by management are compulsorily to be redeemed/repurchased upon an exit event; ratchet features may also apply on these shares at the time of redemption/repurchase upon an exit event.

Since the Group does not have an obligation to settle the MIP, it has been accounted for as an equity-settled share-based payment arrangement under IFRS 2.

The cost of Preference Shares and C Ordinary shares has been assessed as a reasonable proxy for fair value. The fair value of the remaining shares granted during the period was estimated using a Monte Carlo simulation approach. The attributable in-year share-based payment charge was $1.3 million. The expense for the MIP 2020 was recognised as if the terms had not been modified to management's original estimated vesting date. The incremental fair value of the modification is $nil.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

9. Taxation expense

	2022 $000	2021 $000
Consolidated income statement		
Current income tax		
Current year	**38,561**	143,552
Adjustments in respect of prior years	**(10,912)**	(3,289)
Current tax expense	**27,649**	140,263
Deferred income tax		
Current year	**(30,305)**	(31,889)
Impact of changes in statutory rates	**(1,303)**	10,722
Adjustments in respect of prior years	**4,646**	78
Deferred tax credit	**(26,962)**	(21,089)
Income tax expense	**687**	119,174

The charge for the year can be reconciled to the loss per the Consolidated Income Statement as follows:

	2022 $000	2021 $000
Loss before tax – continuing operations	**(415,753)**	(191,432)
Loss before tax – discontinued operations	**-**	(18,654)
Total	**(415,753)**	(210,086)
Notional income tax expense at the effective UK statutory rate of 19% on loss before tax	**(78,993)**	(39,917)
Permanent differences	**73,355**	23,070
Profit on sale of subsidiaries	**-**	117,508
Different tax rates on overseas profits	**3,964**	6,998
Impact of changes in statutory tax rates	**(1,303)**	10,722
Unrelieved current year tax losses not recognised	**10,248**	4,320
Utilisation of tax losses	**(303)**	(469)
Adjustments in respect of prior years	**(6,266)**	(3,210)
Tax on associates	**-**	118
Other timing items not recognised	**(15)**	34
Income tax expense	**687**	119,174

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

9. Taxation expense (continued)

	2022 $000	2021 $000
Comprising:		
Loss from continuing operations	**687**	(2,873)
Loss from discontinued operations	**-**	122,047

The income tax expense for the year is based on the United Kingdom effective statutory rate of corporation tax of 19.0%. Overseas tax is calculated at the rates prevailing in the respective jurisdictions.

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised in other comprehensive income and expense and directly in equity:

	2022 $000	2021 $000
Other comprehensive (income)/expense current tax credit		
Currency translation differences	**(748)**	522
Deferred tax (credit)/expense		
Cash flow hedge	**963**	-
Defined benefit pension	**(15)**	(250)
Tax recognised in other comprehensive income and expense	**200**	272

The calculation of the Group's total tax charge involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority. At 31 December 2022, the Group had recognised provisions of $17.3 million (2021: $11.4 million) in respect of such uncertain tax positions presented as current tax liabilities or as reductions in current tax assets. Whilst the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of agreements with the relevant tax authorities, or litigation where appropriate, the Group continues to consider that it has made appropriate provision for periods which are open and not yet agreed by the tax authorities.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

10. Intangible assets and goodwill

	Note	Goodwill $000	Brands $000	Customer Contracts $000	Customer Relationships $000	Other $000	Software development costs $000	Total $000
Net book value								
At 1 January 2021		616,218	153,679	-	366,143	-	4,286	1,140,326
Acquisitions		2,135,542	426,520	-	1,332,769	6,200	9,745	3,910,776
Additions		-	-	-	-	-	280	280
Amortisation charge – continuing operations	5,6	-	(20,114)	-	(41,872)	(740)	(1,172)	(63,898)
Amortisation charge – discontinued operations	27	-	(3,090)	-	(4,520)	-	(639)	(8,249)
Disposal of subsidiaries	27	(474,652)	(161,910)	-	(279,480)	-	(6,504)	(922,546)
Impairment		-	-	-	-	-	(809)	(809)
Translation adjustment		(5,677)	(1,052)	-	(4,201)	-	(311)	(11,241)
Net book value at 31 December 2021		2,271,431	394,033	-	1,368,839	5,460	4,876	4,044,639
Cost		2,271,431	418,444	-	1,420,109	6,200	12,265	4,128,449
Accumulated amortisation		-	(24,411)	-	(51,270)	(740)	(7,389)	(83,810)
At 1 January 2022		**2,271,431**	**394,033**	**-**	**1,368,839**	**5,460**	**4,876**	**4,044,639**
Acquisitions	3	179,463	13,378	7,777	97,257	-	-	297,875
Additions		-	-	-	-	-	457	457
Amortisation charge	5,6	-	(40,110)	(7,365)	(79,385)	(1,818)	(1,565)	(130,243)
Impairment		(353,327)	-	-	-	-	(1,540)	(354,867)
Translation adjustment		(118,977)	(15,701)	(212)	(60,532)	(448)	89	(195,781)
Net book value at 31 December 2022		**1,978,590**	**351,600**	**200**	**1,326,179**	**3,194**	**2,317**	**3,662,080**
Cost		2,331,917	414,959	7,384	1,453,495	5,638	9,761	4,223,154
Accumulated amortisation and impairment		(353,327)	(63,359)	(7,184)	(127,316)	(2,444)	(7,444)	(561,074)

The carrying amount of the Advisory and Engage Cash Generating Units ("CGU's") have been reduced to its recoverable amount through recognition of an impairment loss against goodwill ($353.3 million). This loss is included in operating expenses in the consolidated income statement.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

10. Intangible assets and goodwill (continued)

Impairment testing for cash-generating units containing goodwill

Goodwill arises on acquisitions. The goodwill acquired during the year relates to the acquisitions of Advicepartners, Cirkle Partnership, Evolution Road, Melt Media, Propensity4 and Research Partnership (Note 3).

Goodwill acquired through business combinations has been allocated to CGUs for the purpose of impairment testing. The CGUs represent the lowest level within the Group at which associated goodwill is monitored for management purposes. Significant under-performance in any of the Group's major CGUs may give rise to a material write-down of goodwill which would have a substantial impact on the Group's income and equity. There are five (2021: five) CGUs identified. The carrying value of goodwill post impairment by CGU is as follows:

	2022	2021
	$000	$000
MarComms	**488,575**	482,277
Medical	**627,087**	718,230
Advisory	**508,039**	727,402
Engage	**305,167**	299,792
Accordience*	**49,722**	43,730
Total	**1,978,590**	2,271,431

** Accordience was referred to as Communications in the prior year financial statements.*

Impairment testing of CGUs containing goodwill

The Group tests goodwill for impairment on an annual basis or more frequently if there is an indication that the goodwill may be impaired. This testing involves determining the CGU's value-in-use and comparing this to the carrying amount of the CGU. Where the value-in-use exceeds the carrying value of the CGU, the asset is not impaired, but where the carrying amount exceeds the value-in-use, an impairment loss is recognised to reduce the carrying amount of the CGU to its value-in-use. Estimates of value-in-use are key judgmental estimates in the financial statements. A number of key assumptions have been made as a basis for the impairment tests. In each case, these key assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Value-in-use calculations

Where a value-in-use approach is used to assess the recoverable amount of the CGU, calculations use pre-tax cash flow projections based on financial budgets and projections covering a five-year period. The cash flow forecasts used for the value-in-use computations exclude incremental profits and other cash flows derived from planned acquisition activities.

For individual CGUs, the cash flow forecasts for the first five years are based on the 2023 financial budget approved by the Directors, adjusted based on past experience and historic trends. Growth rates in years two to five are based on management's medium term- forecasted revenue and operating margins for each of the businesses.

After the initial five-year forecast period, a long-term growth rate of 2% has been applied to the cash flow forecasts into perpetuity. This growth rate is based on an estimate of the long-term average growth rate for the market that each CGU operates in.

The value-in-use of each CGU is calculated using a pre-tax discount rate. The pre-tax discount rate represents the Group's estimated weighted average cost of capital, adjusted to reflect risks associated with each CGU including country specific risks, The pre-tax discount range from 13.7% to 15.2% (2021: 8.8% to 9.2%). The pre-tax discount rates used for each CGU are detailed in the table below.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

10. Intangible assets and goodwill (continued)

	Discount rate (pre-tax) 2022 $000	2021 $000
MarComms	**13.7%**	9.0%
Medical	**13.8%**	8.8%
Advisory	**13.7%**	8.9%
Engage	**14.2%**	9.2%
Accordience	**15.2%**	8.9%

Impairment

The carrying amount of the Advisory and Engage CGUs have been reduced to its recoverable amount through recognition of an impairment loss against goodwill. This loss of $353.3 million is included in operating expenses in the consolidated income statement. The impairment loss recognised is arising from the increases in the pre-tax discount rate which increased by 4.8% (Advisory) and 5.0% (Engage) during the year, within those CGUs showing impairment. The impairment charge by CGU is allocated to CGU's as follows:

	2022 $000	2021 $000
Advisory	**322,100**	-
Engage	**31,227**	-
Total	**353,327**	-

Sensitivity to changes in assumptions

In assessing the value-in-use of a CGU, the forecast future cash flows are inherently uncertain and could change materially over time due to the impact of market growth, discount rates and unexpected changes in key clients and personnel.

The value-in-use of the Medical CGU is the most sensitive to changes in key assumptions, in particular to changes in the discount rate. The table below provides further details in respect of this CGU:

Medical	**2022 $000**
Goodwill allocated to CGU	**627,087**
Excess of value-in-use over carrying value	**36,363**
Excess of value-in-use over carrying value – as a percentage of value-in-use	**4%**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

10. Intangible assets and goodwill (continued)

The recoverable amount of this CGU would equal its carrying amount if either of the following key assumptions were to change as follows:

Medical	From	To
Discount rate	13.8%	14.2%
Perpetuity growth rate	2.0%	1.3%

While the base impairment model does not indicate that an impairment exists in the CGU, should the underlying assumptions and forecasts attributable to the CGU differ in the future, this may result in an impairment of goodwill of the CGU. The directors have considered and assessed reasonably possible changes for other assumptions and have not identified any instances that could cause the carrying amount of the Medical CGU to exceed its recoverable amount.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

11. Property, plant and equipment

	Note	Land and buildings	Equipment, fixtures and fittings	Motor vehicles	Assets Under Construction	Total
		$000	$000	$000	$000	$000
Net book value at 1 January 2021		10,088	7,132	34	-	17,254
Additions		4,923	9,822	-	4,840	19,585
Arising on acquisition		127,140	134,705	12	11,988	273,845
Depreciation charge – continuing operations		(2,077)	(6,505)	(11)	-	(8,593)
Depreciation charge- discontinued operations	27	(1,814)	(7,514)	(3)	-	(9,331)
Disposals in year		-	(74)	-	-	(74)
Impairment		(781)	(2,372)	-	-	(3,153)
Disposal of subsidiaries	27	(108,284)	(121,706)	(9)	(16,164)	(246,163)
Reclassifications		-	186	-	(186)	-
Exchange differences		(917)	(743)	-	(478)	(2,138)
Net book value at 31 December 2021		**28,278**	**12,931**	**23**	**-**	**41,232**
Additions		**1,688**	**7,106**	**-**	**936**	**9,730**
Arising on acquisition	3	**36**	**382**	**-**	**-**	**418**
Depreciation charge	5	**(4,837)**	**(7,190)**	**(2)**	**-**	**(12,029)**
Disposals in year		**(1,036)**	**(852)**	**(21)**	**-**	**(1,909)**
Impairment		**(6,565)**	**(948)**	**-**	**-**	**(7,513)**
Reclassifications		**(2,620)**	**2,620**	**-**	**-**	**-**
Translation adjustment		**(959)**	**(816)**	**-**	**-**	**(1,775)**
Net book value at 31 December 2022		**13,985**	**13,233**	**-**	**936**	**28,154**
At 1 January 2022						
Cost or deemed cost		**21,879**	**26,502**	**-**	**936**	**49,317**
Accumulated depreciation		**(7,894)**	**(13,269)**	**-**	**-**	**(21,163)**
Net book value at 31 December 2022		**13,985**	**13,233**	**-**	**936**	**28,154**

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

12. Leases

The consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets	Note	Buildings $000	Motor Vehicles $000	Total $000
At 1 January 2021		62,370	-	62,370
Additions		1,846	2,154	4,000
Arising on acquisition		73,882	7,490	81,372
Depreciation – continuing operations	5	(18,667)	(516)	(19,183)
Depreciation – discontinued operations		(276)	(1,037)	(1,313)
Impairment		(4,870)	-	(4,870)
Termination of lease contracts		(1,125)	(229)	(1,354)
Disposal of subsidiaries		(18,764)	(572)	(19,336)
Modification of lease contracts		722	1,223	1,945
Translation adjustment		(1,131)	(534)	(1,665)
At 31 December 2021		**93,987**	**7,979**	**101,966**
Additions		**7,061**	**3,117**	**10,178**
Arising on acquisition	3	**1,404**	**-**	**1,404**
Depreciation	5	**(19,420)**	**(5,143)**	**(24,563)**
Impairment		**(11,705)**	**-**	**(11,705)**
Termination of lease contracts		**(3,121)**	**(337)**	**(3,458)**
Modification of lease contracts		**6,421**	**1,607**	**8,028**
Transfer to lease receivable*	13	**(11,152)**	**-**	**(11,152)**
Translation adjustment		**(3,306)**	**(610)**	**(3,916)**
At 31 December 2022		**60,169**	**6,613**	**66,782**

The impairment charge in the year arose due to the consolidation of the Group's property portfolio whereby various leases were exited. These charges are recognised in operating expenses.

* Transfers to lease receivables relate to leased properties where the Group have sublet the property and gives rise to a finance lease receivable. The Group has derecognised the associated right-of-use asset and recognised the net investment in the sub-lease as finance lease receivable (Note 13).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

12. Leases (continued)

		2022	2021
Lease Liabilities	Note	**$000**	$000
At 1 January		**(133,904)**	(77,173)
Additions		**(10,053)**	(3,846)
Arising on acquisitions	3	**(2,409)**	(97,242)
Cash payments		**38,541**	29,903
Unwind of interest – continuing operations	7	**(7,148)**	(6,976)
Unwind of interest – discontinued operations		**-**	(551)
Termination of lease contracts		**4,027**	1,363
Disposal of subsidiaries	27	**-**	20,611
Modification of lease contracts		**(7,995)**	(1,781)
Translation adjustment		**4,555**	1,788
At 31 December		**(114,386)**	(133,904)
Non-current		**(82,592)**	(97,628)
Current		**(31,794)**	(36,276)
At 31 December		**(114,386)**	(133,904)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

12. Leases (continued)

Amounts recognised in the Consolidated Income Statement

Other amounts relating to leases recognised in profit or loss are as follows:

	2022 $000	2021 $000
Income from sub-leasing right-of-use assets and operating leases	**(1,938)**	(556)
Lease rentals on short-term and low-value leases arising under IFRS 16 (included in operating expenses)	**5,150**	2,807

Refer to note 25 for details of commitments where we have entered into commercial property leases and leases on certain items of office furniture and equipment outside the scope of IFRS 16 due to being of low value and/or short term.

The Groups leasing activities and how these are accounted for

The Group leases various offices, vehicles and equipment used in its operations. Rental contracts for offices generally have lease terms between 2 and 10 years, while motor vehicles and other equipment generally have lease terms between 1 and 4 years. The Group also has certain leases of motor vehicles with lease terms of 12 months or less and leases of equipment with low value. The Group applies the recognition exemptions for these leases available in accordance with IFRS 16.

The maturity analysis of lease liabilities is disclosed in Note 20. The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability at the prevailing index or rate. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Refer to the accounting policy (Note 2) for details of how the Group measures lease liabilities.

Extension and termination options

Extension and termination options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Residual value guarantees

The Group does not provide residual value guarantees in relation to leases.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

13. Lease Receivable

Finance lease receivables are presented in the consolidated balance sheet as follows:

	2022	2021
	$000	$000
Lease receivables		
Current	**5,001**	3,178
Non-current	**11,855**	2,933
At 31 December	**16,856**	6,111

The Group has entered into various lease arrangements as a lessor that are considered to be finance leases. The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2022	2021
	$000	$000
Less than 1 year	**5,263**	3,178
1-2 years	**3,894**	2,413
2-3 years	**2,917**	912
3-4 years	**2,900**	-
4-5 years	**2,308**	-
5 years +	**2,798**	-
Total undiscounted lease payments receivable	**20,080**	6,503
Unearned finance income	**(3,224)**	(392)
Lease receivable	**16,856**	6,111

	2022	2021
	$000	$000
Finance income on lease receivable	**275**	436

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

14. Trade and other receivables

	2022 $000	2021 $000
Current		
Trade receivables	**489,732**	367,157
Less: provision for impairment of trade receivables	**(3,774)**	(4,359)
Trade receivables – net	**485,958**	362,798
Other receivables	**11,563**	17,495
Prepayments	**35,745**	29,069
Contract assets (Note 16)	**124,761**	84,260
VAT receivable	**4,986**	6,416
	663,013	500,038

In addition to the above, the Group also has non-current other receivables of $25.5 million (2021: $26.6 million). This balance primarily consists of loans with affiliate companies that sit outside the Group. See related parties note (note 28) for more detail.

Apart from the provision for impairments, there are no differences between the book value and fair value of the above receivables.

The movement in the impairment provision in respect of trade receivables during the year was as follows:

	2022 $000	2021 $000
At beginning of the year	**4,359**	1,949
Acquisitions	**-**	2,711
Impairment charge for the year	**812**	686
Disposals of subsidiaries	**-**	(815)
Receivables written off during the year as uncollectible	**(986)**	(100)
Amounts reversed as debt collected	**-**	(60)
Foreign exchange movements	**(411)**	(12)
At 31 December	**3,774**	4,359

The Group applies a lifetime expected credit loss provision for trade receivables, as permitted by IFRS 9. Trade receivables have been grouped based on shared credit risk characteristics and the days past due for the purposes of measuring the expected credit losses. The expected credit loss rates are based on the historical settlement profiles of sales and the credit losses experienced. Credit loss rates are adjusted to reflect current and forward-looking information where there is evidence that these factors affect the ability of customers to settle the amounts due. The Group has considered the general economic climate in its determination of the expected credit loss provision. Impairments are recorded in the Consolidated Income Statement on identification.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

14. Trade and other receivables (continued)

The ageing of trade receivables, under the IFRS 9 expected credit loss model, that were not impaired at 31 December 2022 and 2021 was:

			Past due but not impaired		
	Total	**Neither past due nor impaired**	**<30 days**	**30-90 days**	**>90 days**
At 31 December	**$000**	**$000**	**$000**	**$000**	**$000**
2022	**485,958**	**408,362**	**57,645**	**14,259**	**5,692**
2021	362,798	311,766	38,148	9,875	3,009

15. Trade and other payables

Current	**Note**	**2022 $000**	2021 $000
Trade payables		**55,131**	59,326
Other taxation and social security		**31,462**	37,895
Accruals		**198,459**	166,684
Contract liabilities		**196,537**	133,023
Deferred consideration*	18	**8,356**	-
Other payables		**15,561**	16,179
		505,506	413,107
Non-current			
Deferred consideration*	18	**13,657**	-
Non-current trade and other payables		**503**	1,591
		14,160	1,591

*$47.3 million has been reclassified from provisions (Note 18 - within deferred contingent consideration) to trade and other payables), as there are no longer any contingencies associated with these future payments other than the passage of time. $22.0 million remains outstanding at year end for future payment.

16. Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2022	2021
	$000	$000
Accrued income	**124,761**	84,205
Contract assets	**124,761**	84,205
Deferred income	**196,537**	133,023
Contract liabilities	**196,537**	133,023

All carried forward contract liabilities were recognised as revenue in the current year.

Significant increases in the balances are driven by the agencies acquired in the year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

16. Assets and liabilities related to contracts with customers (continued)

Assets recognised from costs to fulfil a contract

Contract fulfilment assets arise primarily from contracts in Engage relating to start-up costs. Contract fulfilment assets are amortised on a straight-line basis over the term of the specific contracts they relate to, consistent with the pattern of recognising the associated revenue. The amortisation cost is recorded within cost of sales. The movement in contract fulfilment assets in the year was:

	2022 $000	2021 $000
At 1 January	**868**	-
On acquisition	**-**	9,144
Assets recognised from costs incurred to fulfil contracts	**1,367**	3,427
Amortisation as costs of provided services during the year	**(1,480)**	(3,542)
Disposal of subsidiaries	**-**	(7,986)
Translation adjustment	**-**	(175)
At 31 December	**755**	868
Non-current	**200**	119
Current	**555**	749
At 31 December	**755**	868

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

17. Equity accounted investments

The Group's interest in its joint ventures and associates, all of which are unlisted, is set out below:

	Joint ventures	Associates	Total
	$000	$000	$000
At 1 January 2022	**41,686**	**2,374**	**44,060**
Share of profit after tax	**2,220**	**168**	**2,388**
Acquisition of remaining interest in associate	**-**	**(2,542)**	**(2,542)**
Impairment	**(8,631)**	**-**	**(8,631)**
Translation adjustment	**(1,800)**	**-**	**(1,802)**
At 31 December 2022	**33,475**	**-**	**33,473**

	Joint ventures	Associates	Total
	$000	$000	$000
At 1 January 2021	-	-	-
Arising on acquisitions	41,787	42,541	84,328
Share of profit after tax	560	232	792
Discontinued operations	-	1,193	1,193
Disposal of associate	-	(41,592)	(41,592)
Translation adjustment	(661)	-	(661)
At 31 December 2021	41,686	2,374	44,060

Joint Ventures

Name	Nature of business	Group share	Investment
CMIC Ashfield Co., Ltd 7–10–4 Nishi-Gotanda, Shinagawa-ku, Tokyo, Japan	Contract sales outsourcing	49.99%	Ordinary Shares

The Group accounts for CMIC Ashfield Co. Limited as a joint venture on the basis of contractual arrangements which establish joint control between the Group and the remaining shareholders. These contractual arrangements outline the requirement for all significant strategic, financial and operational decisions to be jointly approved by both parties to the respective agreements. An impairment charge has been recognised on the investment in CMIC Ashfield Co., Ltd. The impairment charge is primarily due to an increase in the discount rate to 13% (2021: 11%).

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

17. Equity accounted investments (continued)

	2022	2021
Joint venture balance sheet (100%)	**$000**	$000
Non-current assets	**4,400**	4,181
Cash and cash equivalents	**9,987**	6,897
Other current assets	**17,275**	19,198
Non-current liabilities	**(3,660)**	(3,360)
Current liabilities	**(8,449)**	(10,373)
Net assets	**19,553**	16,543

	2022	2021
	$000	$000
Group's equity interest	**49.99%**	49.99%
Group's share of net assets	**9,774**	8,270
Goodwill	**23,701**	33,416
Carrying value of Group's interest in joint ventures	**33,475**	41,686

	2022	2021
	$000	$000
Revenue	**77,655**	33,705
Expenses, net of tax	**(73,214)**	(32,585)
Profit after tax	**4,441**	1,120
Group's share of profit after tax	**2,220**	560

Associates

Propensity4 Smart Data LLC was accounted for as an associate due to the extent of the Group's investment, representation on the Board of Directors and contractual arrangements that provide the Group with significant influence over the financial and operating policy decisions of the associates. The Group acquired 100% of Propensity4 Smart Data LLC on 28 February 2022 (Note 3).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

17. Equity accounted investments (continued)

	2022	2021
	$000	$000
Revenue	**1,216**	1,521
Expenses, net of tax	**(378)**	(361)
Profit after tax	**838**	1,160
Group's share of profit after tax	**168**	232

18. Provisions

	Note	Redemption liability	Deferred contingent consideration	Reorganisation and other provisions	Total
	Note	**$000**	**$000**	**$000**	**$000**
At 1 January 2021		46,751	49,753	13,613	110,117
Acquisitions		-	108,638	3,530	112,168
Arising during the year		-	-	8,014	8,014
Released during the year		-	-	(2,933)	(2,933)
Remeasurements		4,978	16,794	-	21,772
Utilised		(9,408)	(89,252)	(9,043)	(107,703)
Disposal of subsidiaries		-	-	(2,330)	(2,330)
Foreign exchange movements		-	479	(53)	426
Unwind of discount		2,031	2,881	-	4,912
At 31 December 2021		**44,352**	**89,293**	**10,798**	**144,443**
Arising during the year		**-**	**21,659**	**8,606**	**30,265**
Released during the year		**-**	**-**	**(54)**	**(54)**
Remeasurements	6	**(2,669)**	**3,757**	**-**	**1,088**
Utilised		**(36,945)**	**(24,337)**	**(6,431)**	**(67,713)**
Reclassification to trade and other payables		**-**	**(47,329)**	**(1,912)**	**(49,241)**
Foreign exchange movements		**(1,040)**	**(3,320)**	**(630)**	**(4,990)**
Unwind of discount		**745**	**2,155**	**-**	**2,900**
At 31 December 2022		**4,443**	**41,878**	**10,377**	**56,698**
Current		**4,443**	**20,536**	**3,409**	**28,388**
Non-current		**-**	**21,342**	**6,968**	**28,310**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

18. Provisions (continued)

Redemption liability for acquisitions

Certain acquisitions made by the Group include a put/call option to purchase the non-controlling interests' equity share at a future date, payable in either cash or a combination of cash and shares at the Group's option, which is contingent on the future financial performance of the acquired entity. The amount utilised in the year represents the cash paid or shares issued under the earn-out arrangements. The amount arising or released in the year represents a change in the estimated future financial performance of the acquired company. The Group expects that these provisions will be utilised within one year.

Deferred contingent consideration for acquisitions

Acquisitions made by the Group typically involve an earn-out arrangement whereby the consideration payable includes a deferred element, payable in either cash or a combination of cash and shares at the Group's option, which is contingent on the future financial performance of the acquired entity. The amount utilised in the year represents the cash paid under the earn-out arrangements. The amount arising or released in the year represents a change in the estimated future financial performance of the acquired company. Where deferred contingent consideration is no longer contingent on the outcome of future events, the amount are reclassified to trade and other payables. $47.3 million has been reclassified to trade and other payables (Note 15 - presented within deferred consideration), as there are no longer any contingencies associated with these future payments other than the passage of time. The Group expects that $20.5 million will be utilised within one year, $16.6 million within 2 years, $2.5 million within 3 years and $2.2 million within 4 years.

Reorganisation and other provisions

This provision relates principally to redundancy provisions and contingent liabilities arising on acquisitions, as well as costs associated with the integration of the Ashfield and Huntsworth businesses. This also includes provisions for property costs set aside in respect of property leases which are onerous. The Group expects that $3.4 million of these provisions will be utilised within one year, with the balance over 2 to 5 years of the balance sheet date.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

19. Deferred tax

	Tax depreciation	Interest restrictions & tax losses	IFRS 16 property timing	Pension liabilities	Intangible assets	Other temporary differences	Total
	$000	$000	$000	$000	$000	$000	$000
At 1 January 2021	(1,957)	1,904	2,165	-	(86,671)	5,669	(78,890)
Acquisition related items	(25,746)	16,139	3,713	(2,873)	(360,302)	12,224	(356,845)
Credit/(expense) to income	2,509	12,343	(385)	246	2,554	3,822	21,089
Charge to other comprehensive income	-	-	-	250	-	-	250
Disposal related items	24,856	(4,101)	(279)	825	99,110	(90)	120,321
Exchange differences and other movements	118	72	2	171	1,375	(1,151)	587
At 31 December 2021	**(220)**	**26,357**	**5,216**	**(1,381)**	**(343,934)**	**20,474**	**(293,488)**
Acquisition related items	**(20)**	**-**	**277**	**-**	**(24,367)**	**(707)**	**(24,817)**
Credit/(expense) to income	**492**	**(330)**	**1,572**	**236**	**25,848**	**(856)**	**26,962**
Charge to other comprehensive income	**-**	**-**	**-**	**15**	**-**	**(963)**	**(948)**
Exchange differences and other movements	**(280)**	**(660)**	**218**	**117**	**19,055**	**(775)**	**17,675**
At 31 December 2022	**(28)**	**25,367**	**7,283**	**(1,013)**	**(323,398)**	**17,173**	**(274,616)**

After netting off balances within countries, the following are the deferred tax assets and liabilities recognised in the consolidated balance sheet:

	2022 $000	2021 $000
Deferred tax assets	**-**	-
Deferred tax liabilities	**(274,616)**	(293,488)
Net deferred tax liability	**(274,616)**	(293,488)

Deferred tax has been calculated using the anticipated rates that will apply when the assets and liabilities are expected to reverse. The recoverability of deferred tax assets is supported by the expected level of future profits in the countries concerned and the future unwind of existing deferred tax liabilities.

Unrecognised temporary differences in respect of tax losses and other temporary differences amounting to $89.7 million (2021: $58.4 million), have not been recognised on the basis that their future economic benefit is uncertain. These comprise tax losses of $75.4 million (2021: $41.6 million) and capital losses of $14.9 million (2021: $16.7 million). Of this total, tax losses of $4.6 million (2021: $4.3 million) will expire at various dates between 2023 and 2032 (2021: 2022 and 2031) and the remaining losses can be carried forward without restriction.

Overseas dividends are largely exempt from UK tax but may be subject to foreign withholding taxes. The unremitted earnings of those overseas subsidiaries affected by such taxes is $740 million (2021: $743 million). No deferred tax liability is recognised on these temporary differences as the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future.

The UK Government has enacted an increase in the main rate of corporation tax to 25% with effect from 1 April 2023 and its effects are incorporated in these financial statements.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

20. Financial instruments

Capital management policies and strategies

The primary objective of the Group's capital management policy is to maintain an appropriate capital structure in order to support its business and maximise shareholder value.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages, and if necessary makes adjustments to, the capital structure in light of changes in economic conditions. The capital structure of the Group consists of its share capital, as disclosed in Note 22, and its total borrowings, comprising bank loans, as disclosed in Note 21.

The Group has committed to adhering to the loan covenants set out in its principal debt facilities, the capital requirement under which is a maximum leverage ratio. The Group was not in breach of the requirements at any time in the financial year. The capital requirements at 31 December 2022 was as follows:

Leverage: Group net debt / Group EBITDA: maximum ratio 8.75x

Financial risk management policies and strategies

The Group's principal financial instruments comprise bank loans and cash and short-term deposits. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. During the year, the Group has financed its business through a revolving credit facility and long-term loan facilities arranged with a syndicate of banks.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group assesses its borrowing requirements by monitoring short and medium-term cash flow forecasts and interest rate risks are assessed through sensitivity analysis. The interest rates paid by the Group on financial debt are disclosed in Note 21.

The Group continually reviews and assesses the balance of debt held at floating rates and the need for additional instruments to meet both short-term and long-term requirements. The Group uses interest rate swaps to mitigate the variability of future cashflows caused by movement in market interest rates.

At 31 December 2022	**Within 1 year $000**	**5+ years $000**	**Total $000**
Bank loans	**(75,483)**	**(2,395,866)**	**(2,471,349)**
Cash	**78,769**	**-**	**78,769**
	3,286	**(2,395,866)**	**(2,392,580)**

At 31 December 2021	Within 1 year $000	5+ years $000	Total $000
Bank loans	(8,005)	(2,224,934)	(2,232,939)
Cash	164,870	-	164,870
	156,865	(2,224,934)	(2,068,069)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

20. Financial instruments (continued)

The other financial instruments of the Group that are not included in the above table are non-interest bearing and are therefore not subject to interest rate risk. Floating rate surplus cash earns interest based on relevant local LIBID equivalents. The floating rate bank loans payable bear interest based on Libor on our USD-denominated loan, Sonia on our Pound Sterling-denominated loan and Euribor on our Euro-denominated loan.

In accordance with the UK Financial Conduct Authority's announcement on 5 March 2021, LIBOR benchmark rates were discontinued after 31 December 2021 except for the majority of the US dollar settings which will be discontinued after 30 June 2023. The Alternative Reference Rates Committee (AARC) in the US identified the Secure Overnight Financing Rate (SOFR) as a replacement for US LIBOR. Because SOFR is an overnight risk-free rate, whereas LIBOR has various terms and an embedded credit charge, the transition from LIBOR to SOFR will require adjustments, which may continue to vary for certain forms of indebtedness and financial instruments as the relevant markets adapt to SOFR's implementation. The Group's credit agreements provide that borrowings denominated in US Dollars will bear interest based on LIBOR plus an applicable margin. The credit agreements also provide that LIBOR may be replaced by a bank overnight base rate upon the cessation of LIBOR for US Dollars. The Group is actively working to determine when we expect to transition to an alternative base rate prior to LIBOR for US Dollars being formally phased out. This transition may impact our interest expense with respect to US dollar borrowings. In addition, the phase-out of LIBOR may impact the financial markets as a whole. As such, the consequences of the phase-out of LIBOR cannot be entirely predicted at this time.

Interest rate sensitivity analysis

The interest rate sensitivity analysis below is based on the exposure arising from the Group's borrowings at the balance sheet date. A 1% (100 basis points) movement is considered to represent a reasonably possible change in interest rates. All other variables have been held constant.

If US Libor, Euribor and Sonia interest rates had been 1% higher or lower, the Group's profit before tax for the year ended 31 December 2022 would decrease or increase by $24.8 million (2021: $6.9 million). The Group has no borrowings denominated in a currency other than US Dollars, Pound Sterling or Euro so would be unaffected by interest rate movements in other jurisdictions.

Foreign currency risk

Structural currency risk

A significant proportion of the Group's operations are carried out in the UK and Europe and as a result the Group is exposed to structural currency fluctuations in respect of Pound Sterling and Euro. Where practical, the Group finances investments through borrowings denominated in the same currency in which the related cash flows will be generated. To the extent that the non-US dollar-denominated assets and liabilities of the Group do not offset, the Group is exposed to structural currency risk. Such movements are reported through the Group Statement of Comprehensive Income.

Euro and Pound Sterling-denominated profits are translated into US Dollars at the average rate of exchange for the financial year. The average rate at which Euro profits were translated during the year was $1: €0.9464 (2021: $1: €0.8454) and Pound Sterling profits were translated at $1: £0.8064 (2021: $1: £0.7269).

The Group is also subject to translational currency risk on the translation of profits earned outside of the US.

Transactional currency risk

The Euro is the principal currency of the Group's Irish and Continental European businesses, Pound Sterling is the principal currency for the Group's UK businesses and the US Dollar is the principal currency for the Group's US businesses.

Sensitivity analysis on transactional currency risk

For the purposes of performing sensitivity analysis on transactional currency risk, financial assets and liabilities outstanding at the balance sheet date denominated in a currency other than the functional currency of individual entities, have been aggregated by currency and the impact of a 10% weakening of the US Dollar against the relevant currency calculated. This analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

20. Financial instruments (continued)

Foreign currency risk(continued)

Euro

Based on the value of Euro-denominated financial assets and liabilities held by individual entities with a functional currency other than Euro, a 10% weakening of the US Dollar against the Euro at 31 December 2022 and 31 December 2021 would have increased equity and profit after tax by the amounts shown below:

	2022	2021
	$000	$000
Profit after tax	**1,457**	2,548

Pound Sterling

Based on the value of Pound Sterling-denominated financial assets and liabilities held by individual entities with a functional currency other than Pound Sterling, a 10% weakening of the US Dollar against Pound Sterling at 31 December 2022 and 31 December 2021 would have decreased equity and profit after tax by the amounts shown below:

	2022	2021
	$000	$000
Profit after tax	**(26,852)**	(23,938)

Credit risk

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables (Note 14) based on experience, clients' track record and historic default rates. Individual credit limits are generally set by client and credit is only extended above such limits in defined circumstances.

The Group establishes an impairment provisions matrix based on an expected credit loss model in respect of trade and other receivables (Note 14). Where the Group considers that no recovery of the amount owing is possible, the amount is considered irrecoverable and is written off directly against the receivable.

Risk of counterparty default arising on cash and cash equivalents is controlled within a framework of dealing with high quality institutions and by a policy limiting the amount of credit exposure to any one bank or institution.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

20. Financial instruments (continued)
Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and undrawn banking facilities and by continuously monitoring the forecast and actual cash flows.

The Group has the following facilities in place at 31 December 2022 with a syndication of banks:

a) Committed facilities of $2.5 billion

b) Revolving credit facility of $320.0 million

The tables below summarises the maturity profile of the Group's financial liabilities at 31 December 2022 based on contractual undiscounted payments.

At 31 December 2022	**Within 1 year $000**	**1–2 years $000**	**2–5 years $000**	**5 + years $000**	**Total $000**
Interest-bearing loans and borrowings	**87,360**	**7,359**	**22,079**	**2,422,806**	**2,539,604**
Lease liabilities	**34,585**	**28,588**	**44,449**	**27,574**	**135,196**
Trade and other payables[1]	**277,507**	**15,003**	**-**	**-**	**292,510**
Derivative financial liability	**-**	**-**	**2,050**	**-**	**2,050**
	399,452	**50,950**	**68,578**	**2,450,380**	**2,969,360**

At 31 December 2021	Within 1 year $000	1–2 years $000	2–5 years $000	5 + years $000	Total $000
Interest-bearing loans and borrowings	108,003	108,228	324,950	2,526,933	3,068,114
Lease liabilities	38,549	32,766	50,318	37,778	159,411
Trade and other payables[1]	734,728	-	-	-	734,728
	881,280	140,994	375,268	2,564,711	3,962,253

[1] *Balance excludes tax and social security creditors and contract liabilities.*

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

20. Financial instruments (continued)

Fair values of financial liabilities and assets

All financial assets and financial liabilities have been recognised at their carrying values, which are not materially different to their fair values.

Fair value measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

	Level 1	**Level 2**	**Level 3**	**Total**
At 31 December 2022	**$000**	**$000**	**$000**	**$000**
Assets measured at fair value				
Designated as hedging instruments				
Interest rate swaps	**-**	**6,004**	**-**	**6,004**
Liabilities measured at fair value				
Designated as hedging instruments				
Interest rate swaps	**-**	**2,050**	**-**	**2,050**

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

20. Financial instruments (continued)

Valuation techniques used to derive Level 2 fair values

	2022	2021
	$000	$000
Derivative financial assets	**6,004**	-
Derivative financial liabilities	**(2,050)**	-
Net derivative financial asset	**3,954**	-

All derivatives entered into by the Group are included in Level 2 of the fair value hierarchy and consist of interest rate swaps.

The fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on the terms and maturity of each contract using market interest rates as applicable for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include, where appropriate, adjustments to take account of the credit risk of the Group entity and counterparty. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates.

The swaps consist of floating to fixed rate swaps and are classified as cash flow hedges and stated at their fair value. The fair value of these swaps at 31 December 2022 was an asset of $6.0 million (2021: nil) and a liability of $2.05 million (2021: nil), and the effective portion of this adjustment was accounted for in the cash flow hedge reserve through Other Comprehensive Income. The interest element of the cash flow hedges will be recognised in the Consolidated Income Statement in the years to 31 December 2025, as the associated interest on the hedged debt is recognised.

The Group's interest rate swaps are directly affected by IBOR reform and the Group therefore applies the exceptions provided by Interest Rate Benchmark Reform, Amendments to IFRS 9, IAS 39 and IFRS 7 (the Phase 1 Amendments). The Group assumes that the interest rate benchmark on which the cash flows of the hedged item or the hedging instrument are based is not altered as a result of IBOR reform when applying the following hedge requirements:

- determining whether a forecast transaction is highly probable
- determining whether the hedged future cash flows are still expected to occur for a discontinued cash flow hedging relationship
- assessing the economic relationship between the hedged item and the hedging instrument

When the uncertainty related to the IBOR reform no longer persists, the Group shall apply the exceptions under the Interest Rate Benchmark Reform Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (the Phase 2 Amendments).

At 31 December 2022, the fair value of hedging instruments that reference 3-month US Libor is a liability of $2.0 million (2021: nil). 3-month USD Libor will continue to be published until 30 June 2023. Accordingly, absent any agreement with counterparties to transition to an alternative risk-free rate (ARR) before this date, the Group's existing USD denominated interest rate swaps which have maturity dates beyond 30 June 2023 will only transition to an ARR once US Libor publication ceases. The Group's other interest rate swaps reference Euribor rates and are not impacted by the IBOR reforms.

21. Borrowings

	2022 $000	2021 $000
Current		
Bank borrowings	**75,483**	8,005
	75,483	8,005
Non-current		
Bank borrowings	**2,395,866**	2,224,934
	2,395,866	2,224,934
At 31 December	**2,471,349**	2,232,939

During 2022, drawdowns relate to the ongoing funding of the business, details of the interest-bearing loans and borrowings are noted below:

Interest-bearing loans and borrowings	Effective interest rate	2022 $000	2021 $000
Variable rate bank loans	US Libor + 4.25% with a 0.50% Libor floor	**1,169,092**	964,521
	Euribor + 4.00% with a 0% Euribor floor	**713,555**	762,899
	US Libor + 7.25% with a 0.50% Libor floor	**121,924**	73,087
	SONIA + 7.50% with a 0% SONIA floor	**386,778**	432,432
	US Libor + 4.00% with 0% Libor floor	**80,000**	-

There was no change to interest rates on interest-bearing loans and borrowings during the year.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

22. Called up share capital

Called up, fully allotted and fully paid	Ordinary shares Number of shares	Ordinary shares Nominal value $000
At 31 December 2020	503,932,128	5,039
Share issue	1,999,929,500	19,999
At 31 December 2021	**2,503,861,628**	**25,038**
Share issue March	**80,428,319**	**805**
Share issue April	**647,373**	**6**
Sub-division April	**123**	**-**
At 31 December 2022	**2,584,937,443**	**25,849**

During the year, the following shares were issued:

- On 4 March 2022, 80,428,319 ordinary shares of 1c each were issued to CD&R Ulysses UK Holdco 2 Limited for consideration of $80,428,319, resulting in a share premium of $79,624,036.
- On 6 April 2022, 647,373 ordinary shares of 1c each were issued to CD&R Ulysses UK Holdco 2 Limited for consideration of $647,373, resulting in a share premium of $640,899.
- On 6 April 2022, the share of US$0.0038 as allotted was consolidated with the issued share of US$1.2362 and the consolidated share was then sub-divided into 124 Ordinary Shares of US$0.01.

23. Dividends

The Group made no distributions to shareholders during the year ended 31 December 2022 (2021: $548 million). Dividends of $1.6 million were paid to non-controlling interests (2021: $2.3 million).

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

24. Reserves

Refer to the consolidated statement of changes in equity for details of movements in the year.

Share premium

The share premium account is used to record the premium on shares issued. Following share issuances on 4 March 2022 and 6 April 2022, the share premium account increased from $nil to $80.3 million.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign operations.

Cash flow hedge reserve

The hedging reserve is used to record the effective portion of the movements in the fair value of the Group's derivative financial instruments that qualify for hedge accounting and are deemed to be effective hedges.

Put option reserve

The put option reserve relates to simultaneous put/call options over the non-controlling interests' equity share in subsidiaries and arises on acquisitions made in 2018 and 2020. The reduction in the year of $37.9 million is a result of the exercise of a put option on the remaining minority shareholding of one of the Group's subsidiaries.

Non-controlling interests

Non-controlling interest is the equity in a subsidiary not attributable to the Group. Movements in the year comprise the loss attribution of $1.3 million, exercise of a put option on the remaining minority shareholding of one of the Group's subsidiaries totaling $32.8 million and dividends paid of $1.6 million.

The impact on equity of changes in ownership interests in subsidiaries that do not result in a loss of control is summarised below:

Subsidiary	Put option reserve	Non-controlling interests	Net impact on equity (Retained earnings)
	$000	$000	$000
Evoke Media LLC	2,477	(1,613)	(864)
Evoke Navience LLC	13,911	(10,387)	(3,524)
JK Coaching Limited & Kyne Communications LLC	16,803	(18,305)	1,502
Creative-Ceutical SARL	5,571	(5,803)	232
Other	(874)	3,283	(2,409)

25. Commitments and contingent liabilities

Capital commitments

Capital expenditure contracted for amounted to $2.0m at the balance sheet date.

The Group has committed to an office lease contract in the US that has not yet commenced at 31 December 2022. The future lease payments for this non-cancellable lease contract are $0.6 million in year 1, $2.1 million between two and five years and $1.0 million thereafter.

Contingent liabilities

In the normal course of business, the Group is, from time to time, subjected to legal actions, contractual disputes, employment claims and tax assessments. In the opinion of the Directors the ultimate resolution of these matters will not have a material adverse effect on the consolidated financial statements.

The Company and its subsidiaries have entered into a number of indemnifications, performance and financial guarantees, in the normal course of business, which give rise to obligations to pay amounts or fulfil obligations to external parties should certain conditions not be met or specified events occur. At the date of this report, no matter has come to the attention of the Group which indicates that any material outflow will occur as a result of these indemnities and guarantees.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 202

26. Cash flow analysis

(a) ***Reconciliation of operating loss to net cash inflow from operations***

	Note	2022 $000	2021 $000
Loss before tax:			
- Continuing operations	4	**(415,753)**	(191,432)
- Discontinued operations		**-**	(18,654)
Loss before tax including discontinued operations		**(415,753)**	(210,086)
Depreciation – property, plant and equipment	11	**12,029**	17,924
Depreciation – right-of-use assets	12	**24,563**	20,496
Share of profits from joint venture and associate	17	**(2,388)**	(1,985)
Net finance costs	7	**178,917**	105,956
Management Incentive Plan charge	8	**1,257**	-
Loss on disposal of property, plant and equipment	5	**901**	62
Loss on disposal of discontinued operations		**-**	26,454
Amortisation of intangible assets	10	**130,243**	72,147
Impairment of intangible assets and goodwill	10	**354,867**	809
Impairment of investment in joint ventures	17	**8,631**	-
Write-off of prepaid loan fees		**-**	67,886
Net impairment of property, plant and equipment, right-of-use assets and related provisions		**16,262**	11,514
Exchange translation adjustment		**(15,108)**	-
Decrease in contract fulfilment assets		**114**	654
Increase in debtors		**(161,431)**	(48,730)
Increase in creditors		**80,648**	28,420
Increase in provisions		**2,887**	17,779
Net cash inflow from operations		**216,639**	109,300

Net cash inflow from operations is analysed as follows:

	2022 $000	2021 $000
Before highlighted items	**281,959**	206,017
Highlighted items	**(65,320)**	(96,717)
Net cash inflow from operations	**216,639**	109,300

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

26. Cash flow analysis (continued)

(b) Reconciliation of financing cashflow

			Non-cash movements				
	Opening	**Cash flow**	**Acquisitions**	**Disposals**	**Other**	**Foreign exchange**	**2022**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Cash and short-term deposits	164,870	(104,334)	26,443	-	-	(8,210)	78,769
Bank loans	(2,232,939)	(319,456)	-	-	(12,214)	93,260	(2,471,349)
Redemption liability	(44,352)	36,945	-	-	1,924	1,040	(4,443)
Finance leases/lease liabilities	(133,904)	31,393	(2,409)	-	(14,021)	4,555	(114,386)
Net debt	**(2,246,325)**	**(355,452)**	**24,034**	**-**	**(24,311)**	**90,645**	**(2,511,409)**

	Opening	**Cash flow**	**Acquisitions**	**Disposals**	**Other**	**Foreign exchange**	**2021**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Cash and short-term deposits	129,749	(43,226)	118,277	(36,563)	-	(3,367)	164,870
Overdraft	(90)	86	-	-	-	4	-
Bank loans	(600,666)	(2,155,818)	-	605,317	(79,310)	(2,462)	(2,232,939)
Redemption liability	(46,751)	9,408	-	-	(7,009)	-	(44,352)
Finance leases/lease liabilities	(77,173)	22,376	(97,242)	20,611	(4,264)	1,788	(133,904)
Net debt	(594,931)	(2,167,174)	21,035	589,365	(90,583)	(4,037)	(2,246,325)

(c) Analysis of statutory net debt

	2022 **$000**	2021 $000
Cash and short-term deposits	**78,769**	164,870
Bank loans	**(2,539,663)**	(2,310,877)
Prepaid loan fees	**68,314**	77,938
Lease liabilities	**(114,386)**	(133,904)
Net debt	**(2,506,966)**	(2,201,973)

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

27. Discontinued Operations

(a) Description

The Sharp division was legally separated from the combined Ashfield & Huntsworth group on 31 December 2021. The Sharp division's US subsidiaries were disposed of in exchange for settlement of interest-bearing loans receivable of $339 million, while Sharp's interest in non-US subsidiaries was distributed by the Group to its parent, CD&R Ulysses UK Holdco 2 Limited. The value of the distribution was $209 million. The Group has treated the Sharp division as a discontinued operations in accordance with IFRS 5.

Note that there were no discontinued operations in the current year.

Loss after tax from discontinued operations included in the Consolidated Income Statement is summarised in the table below:

	2021 $000
Profit of discontinued operations after tax	10,353
Loss on disposal of discontinued operations	(151,054)
Loss after tax from discontinued operations	(140,701)

The loss after tax for the year from discontinued operations is fully attributable to the equity holders of the company.

(b) Financial performance

The following table details the results of discontinued operations included in the Consolidated Income Statement:

	2021 $000
Revenue	142,270
Operating expenses	(135,151)
Share of equity accounted investments' profit after tax	1,193
Operating profit	8,312
Net finance expense	(512)
Profit before tax	7,800
Income tax credit	2,553
Profit of discontinued operations after tax	10,353

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

27. Discontinued Operations (continued)

(c) Details of the sale of the subsidiary

The following table summarises the assets and liabilities disposed of, along with the values of consideration and distribution, to arrive at the net loss on disposal of discontinued operations:

	Note		2021 $000
Consideration in exchange for Sharp US subsidiaries			339,000
Distribution of Sharp Non-US subsidiaries			209,011
Value of consideration and distribution			548,011
Assets and liabilities disposed of:			
Property, plant and equipment	11	246,163	
Intangible assets	10	447,894	
Goodwill	10	474,652	
Right-of-use assets	12	19,336	
Investment in Associate	17	41,592	
Deferred tax assets	19	1,418	
Employee benefits	8	3,551	
Contract fulfilment assets	16	7,986	
Inventory		29,180	
Trade and other receivables		82,411	
Cash and cash equivalents	26(b)	36,563	
Total assets		1,390,746	
Deferred income tax liabilities	19	(121,739)	
Current income tax liabilities		(49)	
Lease liabilities	12	(20,611)	
Trade and other payables		(75,708)	
Interest-bearing loans and borrowings	26(b)	(605,317)	
Total liabilities		(823,424)	
Net identifiable assets disposed of:			(567,322)
Recycling of foreign exchange loss previously recognised in foreign currency translation reserve			(3,527)
Tax charge on disposal			(124,600)
Disposal costs			(3,616)
Loss on disposal of discontinued operations			(151,054)

Notes to the Consolidated Financial Statements (continued)
For the year ended 31 December 2022

27. Discontinued Operations (continued)

(d) Cash flow information

	2021 $000
Cash and cash equivalents acquired	3,980
Net cash inflow from operating activities	19,220
Net cash outflow from investing activities	(13,592)
Net cash inflow from financing activities	27,017
Exchange differences	(62)
Cash and cash equivalents disposed of	36,563

28. Related party transactions

The Company's immediate parent entity is CD&R Ulysses UK Holdco 2 Limited.

Inizio Topco Limited, with effect from 4 March 2022, is the principal intermediate parent company of the Group. Prior to 4 March 2022, CD&R Artemis Holdco 1 Limited was the principal intermediate parent company of the Group.

Inizio Topco Limited is indirectly owned by:

- Clayton, Dubilier & Rice Fund X, L.P.; Clayton, Dubilier & Rice Fund X-A, L.P.; and CD&R Advisor Fund X, L.P., (collectively, Fund X); and
- Clayton, Dubilier & Rice Fund XI, L.P.; Clayton, Dubilier & Rice Fund XI-A, L.P.; CD&R Advisor Fund XI, L.P. (collectively, Cayman Fund XI Partnerships) and Clayton, Dubilier & Rice XI (Scotland), L.P. (Scotland Fund XI Partnership), (Cayman Fund XI Partnerships and Scotland Fund XI Partnership collectively, Fund XI).

The ultimate controlling party of Fund X and Fund XI is Clayton, Dubilier & Rice Holdings LLC.

The Group has a related party relationship with its subsidiaries and associates (Appendix 2), Directors and key management personnel and entities they control, and entities controlled by Clayton, Dubilier & Rice Holdings LLC.

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel

The remuneration of the Directors, the Company Secretary and the Group Executive Team, who are the key management personnel of the Group, is set out below:

	2022 $000	2021 $000
Short-term benefits	**7,630**	6,808
Post-employment benefits	**182**	202
Termination benefits	**-**	1,897
	7,812	8,907

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

28. Related Party transactions (continued)

Transactions with other related parties

The following transactions occurred with related parties:

	2022	2021
	$000	$000
Subscriptions for new ordinary shares by CD&R Ulysses UK Holdco 2 Limited[1]	**81,076**	1,999,917
Amounts credited / (charged) to the Income Statement		
Revenue recognised (Clayton, Dubilier & Rice, LLC)[2]	**2,247**	-
Professional Fees (Clayton, Dubilier & Rice, LLC)[2]	**(1,741)**	-
Management fee charged to associate (CMIC Ashfield Co., Limited)[3]	**2,003**	802
Lease agreement for building situated at 21 Rice Street, Manchester (Stephen and Clare's Pension)[4]	**(204)**	(165)
Joint lease agreement for building situated at Admiral House, 76-78 Old Street, London (Stephen and Clare's Pension)[4]	**(523)**	(424)
Joint lease agreement for building situated at Admiral House, 76-78 Old Street, London (DSPS Properties Limited)[4]	**(958)**	(776)
Invoices for salary recharge (DSPS Properties Limited)[4]	**(61)**	(14)
Invoices for salary recharge and reimbursement (EmCam Arts LLC)[5]	**113**	(113)
Consideration in exchange for Sharp US subsidiaries[6]	**-**	339,000
Distribution of Sharp Non-US subsidiaries[6]	**-**	209,011
<u>Transitional support services:</u>		
Enestia Belgium N.V.[7]	**140**	-
European Packaging Centre B.V.[7]	**51**	-
Sharp Packaging Services, Inc[7]	**649**	-
Sharp Clinical Services, Inc[7]	**103**	-
Sharp Clinical Services (UK) Limited[7]	**53**	-
Sharp Clinical Holding Ireland Limited[7]	**1,116**	

[1] Direct parent
[2] Indirect parent
[3] Associate
[4] Entity controlled / significantly influenced by key management
[5] Entity controlled / significantly influenced by close family member of key
[6] Entities under joint control

[7] On 31 December 2021, Sharp's US subsidiaries were acquired by a newly formed and separately managed Sharp group in exchange for consideration in the form of an interest-bearing loan receivable of $339m. CD&R Ulysses US Topco LLC is the top company of the newly formed standalone Sharp group. The standalone Sharp group is indirectly owned by Fund X and Fund XI, which are also the indirect owners of CD&R Artemis Holdco 1 Limited. Also on 31 December 2021, Sharp's Non-US subsidiaries were distributed to CD&R Ulysses UK Holdco 2 Limited, the parent company of Hunter Holdco 3 Limited. The value of the distribution was $209m.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

28. Related Party transactions (continued)

Terms and conditions

Services were sold to related parties during the year based on the price lists in force and terms that would be available to third parties.

Outstanding balances receivable/(payable) arising from sales/purchases of services

	2022	2021
	$000	$000
CD&R Artemis Holdco 2 Limited	**23,188**	25,497
CD&R Artemis Holdco 1 Limited	**831**	(134)
Clayton, Dubilier & Rice, LLC	**1,119**	-
Sharp Clinical Services, Inc	**(6)**	130
Sharp Clinical Holdings Ireland Limited	**28**	289
European Packaging Centre B.V.	**36**	176
Enestia Belgium N.V.	**20**	329
Sharp Packaging Services, Inc	**(40)**	2,934
Sharp Clinical Services (UK) Limited	**3**	61
EmCam Arts LLC	**342**	-
MediTech Media Directors Special Pension Scheme	**-**	(176)
DSPS Properties Limited	**-**	(237)

There is one loan outstanding at year end with a director totaling $0.5 million with Inizio Holdings Limited effective from 28 August 2020. Interest of 2.25% is applied on the loan which is outstanding at year end.

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 December 2022

29. Post balance sheet events

There were no events since the balance sheet date that would require adjustment to, or disclosure within, these financial statements.

30. Audit exemption

In accordance with Section 479A of the Companies Act, the following subsidiary companies are exempt from the requirement to have their annual accounts audited:

Huntsworth Financial Group Limited (1076928)	Grayling (CEE) Limited (05894329)	Huntsworth Healthcare Group Limited (05143203)
Creativ-Ceutical Limited (06942665)	Conscientia Communication Limited (07609633)	Huntsworth Holdings Limited (05595445)
Atomic Communications Holdings Limited (06927174)	Huntsworth Investments Limited (01894682)	Grayling UK Limited (01593981)
Grayling International Limited (05066506)	Quiller Associates Limited (04472442)	HS Corporate Investments Limited (05794494)
IG Communications Limited (02005521)	The Red Consultancy Group Limited (03528313)	Dewe Rogerson Limited (00960343)
Huntsworth Communications Limited (06025252)	The Red Consultancy Limited (02913684)	The Quiller Consultancy Limited (03609582)
The Moment Productions Limited (05493387)	ApotheCom Scope Medical Limited (03692001)	Tonic Life Communications Limited (05077475)
Atomic PR UK Limited (06928056)	Huntsworth Dormant 7 Limited (01951092)	Grayling Communications Limited (03140273)
Citigate Dewe Rogerson Limited (02184041)	Huntsworth Health Limited (03193979)	Holmes & Marchant Communications Limited (01766310)
Shiny Red Limited (05893962)	WRG Worldwide Limited (07661987)	Canyon Associates Limited (06015141)
The Creative Engagement Group (Holding Co) Limited (10824165)	Mainstream Presentations Limited (02268867)	Mainstream Limited (03927635)
WRG Group Limited (03552198)	Just Communicate Limited (04100166)	WRG Public Events Limited (02610689)
The Creative Engagement Group Limited (01244084)	The Moment Content Company Limited (03962001)	The Rocket Science Group Holdings Limited (03048838)
The Moment Content Group Limited (09209488)	Cormis Partnership Holdings Limited (12496754)	Cormis Partnership Limited (07541770)
Logic Earth Learning Services (NI601280)	Ulysses Odin Bidco Limited (13871430)	Hunter UK Bidco Limited (12489386)

Huntsworth Limited (01729478)	Huntsworth Proton UK Bidco Limited (12961001)	ArticulateScience Limited (06858871)
Boldscience Medical Communications Limited (03008309)	Chrysalis Medical Communications Limited (05830388)	Cognito Medical Communications Limited (06843757)
Health Interactions Limited (03191357)	International Medical Press Limited (03210712)	Medical Expressions Limited (06859096)
Clinical Thinking Limited (07964514)	Nucleus Central Limited (06625423)	Nucleus Global Limited (02744813)
Nucleus Holdings Limited (05771207)	Nucleus X Consulting Limited (06874862)	Scientific pathways Limited (03793167)
Scimentum Limited (08128893)	Synaptikdigital Limited (05830385)	Vynamic Limited (11180553)
Alchem Limited (NI016428)	Aquilant Specialist Healthcare Services Limited (08484746)	Ashfield Excellence Academy Limited (04536485)
Ashfield Health Limited (01887613)	Ashfield Meetings & Events Group Limited (06015247)	Ashfield Meetings & Events Limited (03486951)
Axis Healthcare Europe Limited (04809335)	Catalyst Communications Group Limited (00585636)	Citigate Communications Group Limited (02188080)
Huntsworth Dormant (IH) Limited (02106385)	Team LGM Limited (01539280)	The Cirkle Partnership Limited (08946391)
Inizio Services UK Limited (14009810)	Dewe Rogerson Group Limited (03101816)	Evoke Galliard Limited (03898526)
Gardcald Limited (00330390)	Holmes & Marchant Corporate Design Limited (01883182)	Ashfield Healthcare Limited (03286306)
Huntsworth Dormant (IUK) (04646385)	Evoke Incisive Health Limited (08433190)	Inizio Holdings Limited (12488108)
Knowledgepoint360 Group (Holdings) Limited (01689312)	Knowledgepoint360 UK AquisitionCo Limited (06160505)	Mansett Limited (NI021114)
Masterguide Limited (01407540)	MediTech Media Limited (02074409)	UDG Healthcare UK (Holdco) Limited (10101233)
MFRHRC Holdings Limited (08727704)	Evoke Mind + Matter Limited (09485249)	Pegasus Marketing Communications Limited (09074120)
Pharmexx UK Limited (02456441)	PHMR Limited (08741982)	Putnam Associates Limited (12302921)
SmartAnalyst UK Limited (05882443)	STEM Healthcare Limited (06194435)	UDG Healthcare Limited (08445432)
The Access Partnership Limited (08072929)	The Research Partnership Limited (03350410)	UDG Healthcare (UK) Holdings Limited (03384213)

Company Balance Sheet
At 31 December 2022

	Note	**2022 $000**	2021 $000
Fixed assets			
Investments	5	**1,705,887**	2,503,812
Current assets			
Debtors	6	**221**	1,326
Cash at bank and in hand		**278**	-
		499	1,326
Creditors: amounts falling due within one year	7	**(2,032)**	(2,728)
Net current liabilities		**(1,533)**	(1,402)
Net assets		**1,704,354**	2,502,410
Capital and reserves			
Called up share capital	9	**25,849**	25,038
Share premium account	10	**80,265**	-
Profit and loss account	10	**1,598,240**	2,477,372
Total shareholders' funds		**1,704,354**	2,502,410

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Parent Company is not presented as part of these financial statements. The loss for the year amounted to $879.1 million (2021: $432.4 million profit).

The Company number is 12487650.

These financial statements on pages 121 to 129 were approved by the Board of Directors on 23 March 2023 and signed on their behalf by:

Ben Jackson

Director

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Called up share capital	Share premium account	Profit and loss account	Total
	$000	$000	$000	$000
At 31 December 2020	5,039	498,893	(15)	503,917
Profit for the year	-	-	432,422	432,422
Issue of shares	19,999	1,979,918	-	1,999,917
Equity dividend	-	-	(433,846)	(433,846)
Share premium reduction	-	(2,478,811)	2,478,811	-
At 31 December 2021	**25,038**	**-**	**2,477,372**	**2,502,410**
Loss for the year	**-**	**-**	**(879,132)**	**(879,132)**
Issue of shares	**811**	**80,265**	**-**	**81,076**
At 31 December 2022	**25,849**	**80,265**	**1,598,240**	**1,704,354**

Notes to the Company Financial Statements

For the year ended 31 December 2022

1. General information

Inizio Group Limited (formerly Hunter Holdco 3 Limited) (**the Company**) is the parent company of an international healthcare and communications group. The Company is limited by shares, and is incorporated and domiciled in the UK. The address of its registered office is 8th Floor, Holborn Gate, 26 Southampton Buildings, London WC2A 1AN.

2. Basis of preparation

The Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) for all periods presented. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's 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 have been prepared on the going concern basis. After making an assessment, the Directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and accordingly continue to adopt the going concern basis in preparing the financial statements.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022. These policies have been consistently applied to all the years presented unless otherwise stated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p),B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*;
- the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- the requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information inrespect of:
    i. paragraph 79(a)(iv) of IAS 1 *Presentation of Financial Statements*;
    ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
    iii. paragraph 118(e) of IAS 38 *Intangible Assets*;
- the requirements of paragraphs 10(d), 10(f), 39(c), 16, 38A, 38B – D, 111 and 134 – 136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 Statement of *Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two ormore members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d) – 134(f) and 135(c) – 135(e) of IAS 36 *Impairment of Assets*.

New and amended standards and interpretations effective in the year

There were no new or amended standards or interpretations applied for the first time during the year that had a significant impact on the financial statements.

Standards and interpretations issued and amended but not yet effective or early adopted

There are no new or amended accounting standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements which we expect to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

Notes to the Company Financial Statements (continued)

For the year ended 31 December 2022

3. Significant accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Foreign currencies

US Dollars is the functional currency and presentational currency of the Company. Transactions denominated in foreign currencies are initially translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and the resulting gains and losses are recorded in the profit and loss account.

Investments

Investments are recognised and carried at cost less any identified impairment losses at the end of each reporting period.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and short-term deposits.

Trade and other receivables

Trade receivables and other receivables are measured initially at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment.

The Company recognises a provision for impairment for trade receivables by applying the simplified approach permitted by IFRS 9 to apply a lifetime expected credit loss provision for trade receivables. Impairment losses on trade and other receivables are recognised in profit or loss.

Notes to the Company Financial Statements (continued)

For the year ended 31 December 2022

3. Significant accounting policies (continued)

Financial assets

Trade receivables and debt instruments issued are initially recognised when they are originated. All other financial instruments are recognised when the Group becomes a party to the contractual provisions. Financial assets are initially recognised at fair value. For financial instruments that are not measured at fair value through profit or loss, transaction costs are included in the initial measurement of the financial asset or financial liability.

Financial assets are classified as measured at:

- Amortised cost;
- Fair value through profit or loss (P&L); or
- Fair value through other comprehensive income (OCI).

Financial assets are classified based on the business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are only reclassified between categories where there has been a change in the business model for managing those assets. Financial assets are derecognised when the Group's contractual rights to cash flows from the financial assets are extinguished, expire or transfer to a third party.

Significant accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements and assumptions about the future, based on historical experience and other factors which are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Carrying value of investments

The Company tests annually whether investments have suffered any impairment. The recoverable amounts of investments have been determined based on value-in-use calculations. The value-in-use calculation requires the Directors to estimate the future cash flows expected to arise from each investment and a suitable discount rate in order to calculate present value. Central costs are not allocated to individual investments.

Notes to the Company Financial Statements (continued)

For the year ended 31 December 2022

4. Employee information

The Company has no employees other than the Directors. The Directors are not remunerated for services provided to this Company and are paid for by another group Company. It is not possible to accurately allocate remuneration between entities for qualifying services. The same was relevant in the prior year.

5. Investments

Cost	$000
At 31 December 2020	503,893
Additions	1,999,919
At 31 December 2021	2,503,812
Additions	81,075
Impairment	(879,000)
At 31 December 2022	1,705,887
Amounts provided	
At 31 December 2021	-
At 31 December 2022	-
Net book value at 31 December 2022	1,705,887
Net book value at 31 December 2021	2,503,812

Additions in the year relate to shares acquired in Inizio Holdings Limited (previously Hunter Holdco 4 Limited). An impairment charge of $879.0 million has been recognised during the year to write down the value of investments to the recoverable amount being the value-in-use. The impairment charge is driven by an increase in discount rates as disclosed in Note 10 to the Consolidated Financial Statements.

The Company's principal trading subsidiaries and associated undertakings are listed in Appendix 2 to these financial statements.

Notes to the Company Financial Statements (continued)

For the year ended 31 December 2022

6. Debtors

	2022 $000	2021 $000
Amounts owed by subsidiary undertakings	**194**	1,040
Corporate tax asset	**-**	194
VAT debtor	**27**	92
	221	1,326

7. Creditors: amounts falling due within one year

	2022 $000	2021 $000
Amounts owed to subsidiary undertakings	**2,000**	777
Accruals	**-**	1,951
Corporate tax liability	**32**	-
	2,032	2,728

8. Dividends

The Company made no distributions in the year ended 31 December 2022 (2021: $433.8 million).

Notes to the Company Financial Statements (continued)
For the year ended 31 December 2022

9. Called up share capital

	Ordinary shares	
Called up, fully allotted and fully paid	**Number of shares**	**Nominal value $000**
At 31 December 2020	503,932,128	5,039
Share issue	1,999,929,500	19,999
At 31 December 2021	2,503,861,628	25,038
Share issue March	80,428,319	805
Share issue April	647,373	6
Sub-division April	123	-
At 31 December 2022	2,584,937,443	25,849

During the year, the following shares were issued:

- On 4 March 2022, 80,428,319 ordinary shares of 1c each were issued to CD&R Ulysses UK Holdco 2 Limited for consideration of $80,428,319, resulting in a share premium of $79,624,036.
- On 6 April 2022, 647,373 ordinary shares of 1c each were issued to CD&R Ulysses UK Holdco 2 Limited for consideration of $647,373, resulting in a share premium of $640,899.
- On 6 April 2022, the share of US$0.0038 as allotted was consolidated with the issued share of US$1.2362 and the consolidated share was then sub-divided into 124 Ordinary Shares of US$0.01.

10. Reserves

Called up share capital

The balance classified as called up share capital includes the total net proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising $0.01 ordinary shares.

Share premium account

The share premium account is used to record the premium on shares issued. Following a share issue on 4 March 2022 and 6 April 2022, the share premium account of the Company increased from $nil to $80.3 million.

Profit and loss reserve

Includes all current and prior year retained profits and losses.

Notes to the Company Financial Statements (continued)

For the year ended 31 December 2022

11. Related parties

We have not provided details of transactions with wholly owned subsidiaries as this disclosure is exempt.

The Company's immediate parent entity is CD&R Ulysses UK Holdco 2 Limited.

Inizio Topco Limited which, with effect from 4 March 2022, is the principal intermediate parent company of the Group. Prior to 4 March 2022, CD&R Artemis Holdco 1 Limited was the principal intermediate parent company of the Group.

Inizio Topco Limited is indirectly owned by:

- Clayton, Dubilier & Rice Fund X, L.P.; Clayton, Dubilier & Rice Fund X-A, L.P.; and CD&R Advisor Fund X, L.P., (collectively, Fund X); and
- Clayton, Dubilier & Rice Fund XI, L.P.; Clayton, Dubilier & Rice Fund XI-A, L.P.; CD&R Advisor Fund XI, L.P. (collectively, Cayman Fund XI Partnerships) and Clayton, Dubilier & Rice XI (Scotland), L.P. (Scotland Fund XI Partnership), (Cayman Fund XI Partnerships and Scotland Fund XI Partnership collectively, Fund XI).

The ultimate controlling party of Fund X and Fund XI is Clayton, Dubilier & Rice Holdings LLC (Cayman Islands).

12. Contingent liabilities

In connection with the Group's banking and borrowing facilities, the Company and certain of its subsidiary undertakings have entered into cross-guarantee and indemnity arrangements with Lloyds Bank plc, HSBC Bank plc, JP Morgan (agent) and GLAS (agent).

In the normal course of business, the Company is, from time to time, subjected to legal actions, contractual disputes, employment claims and tax assessments. In the opinion of the Directors, the ultimate resolution of these matters will not have a material adverse effect on the Company.

The Company has entered into a number of indemnifications, performance and financial guarantees, in the normal course of business, which give rise to obligations to pay amounts or fulfil obligations to external parties should certain conditions not be met or specified events occur. At the date of this report, no matter has come to the attention of the Company which indicates that any material outflow will occur as a result of these indemnities and guarantees.

13. Post balance sheet events

There were no events since the balance sheet date that would require adjustment to, or disclosure within, these financial statements.

Appendix 1 – Non-IFRS Measures

This report makes reference to various non-IFRS measures, which are defined below. All performance-based measures are presented to provide insight into ongoing profit generation, both individually and relative to other companies.

Headline operating profit/profit before tax/EBITDA

Calculated as operating profit/profit before tax excluding highlighted items. Highlighted items comprise amortisation of intangible assets, acquisition and transaction-related costs, remeasurement of deferred consideration and disposal-related credits as well as imputed interest on deferred contingent consideration and redemption liability. Both headline profit and IFRS profit measures are presented in Annual Report and Financial Statements. An analysis of highlighted items is presented in Note 6.

Margin

Headline operating profit as a percentage of revenue.

Net debt and cash conversion

Cash conversion

	2022	2021
	$000	$000
Operating profit before highlighted items (Note 4)	**309,308**	181,383
Depreciation and amortisation (Note 5)	**38,157**	28,948
Adjusted EBITDA	**347,465**	210,331
Cash from operation before highlighted items (Note 26)	**281,959**	206,017
Purchases of property, plant and equipment	**(9,730)**	(19,585)
Cost of internally developed intangible assets	**(457)**	(280)
Adjusted cash from operations	**271,772**	186,152
Cash conversion	**78.2%**	88.5%

Free cash flow

Net cashflow from operating activities (Note 26)	**(101,011)**	(4,742)
Cost of internally developed intangible assets	**(457)**	(280)
Purchases of property, plant and equipment	**(9,730)**	(19,585)
	(111,198)	(24,607)

Appendix 2 – Subsidiaries and Associates

This appendix forms part of the financial statements.

The Group consists of the Parent Company, Inizio Group Limited (formerly Hunter Holdco 3 Limited), and a number of subsidiaries held both directly and indirectly by Inizio Group Limited, which operate and are incorporated around the world. Details of the Company's subsidiary undertakings at 31 December 2022 are set out below.

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Trading companies – MarComms segment			
Evoke Health LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Health Corporation	1 S Broad St., Philadelphia, PA 19107, United States	0%	100%
Huntsworth Health Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC22A 1AN, England	0%	100%
Tonic Life Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Evoke Giant LLC	1700 Montgomery Street STE 485, San Francisco CA 94111, United States	0%	100%
Evoke Navience LLC	23 Orchard Road Suite 200, Skillman, NJ, 08558, United States	0%	100%
Evoke Media LLC	The Company Corporation, 251 Little Falls Drive, Wilmington, DE, 19808, United States	0%	100%
Kyne Communications Limited	5th Floor, 40 Mespil Road, Dublin 4, Dublin, D04 C2N4, Ireland	0%	100%
Kyne Communications, LLC	874 Walker Road, Suite C, Dover DE 19904, United States	0%	100%
Evoke Canale Inc.	4010 Goldfinch Street, San Diego, California 92103, United States	0%	100%
Evoke Create, LLC	285 Madison Avenue, 22 FL NY, NY 10017, United States	0%	100%
Evoke Galliard Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom, LE65 1NG	0%	100%
Evoke Incisive Health Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom, LE65 1NG	0%	100%
Evoke MicroMass, Inc	100 Regency Forest Drive, Ste 160, Cary NC 27518, United States	0%	100%
Evoke Mind + Matter, LLC	53 State Street, 24th Floor, Boston, MA 02109 United States, United States	0%	100%
Evoke Mind + Matter Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom, LE65 1NG	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Diffusion Group, LLC, dba Meltmedia	Capitol Services Inc, 8825 N 23rd Ave Ste 100 Phoenix AZ 85021, United States	0%	100%
Evolution Road, LLC	Paul Ivans, 15 John Street, Chatham, New Jersey 07928, United States	0%	100%
Trading companies – Medical segment			
HH Medical Inc	United Corporate Services, Inc., 874 Walker Road, Ste C, Dover, Delaware 19904, United States	0%	100%
ArticulateScience Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
ArticulateScience LLC	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Chrysalis Medical Communications, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
ClinicalThinking, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Cognito Medical Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Health Interactions Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Health Interactions, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Institute for Medical and Nursing Education, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
International Medical Press Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Medical Expressions Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
MedicalExpressions, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Meditech Media Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
MediTech Media, Limited (U.S.A.)	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Nucleus Central Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Nucleus Central, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Nucleus Holdings Asia Pacific Pte Limited	158 Cecil Street, #05-01, 69545, Singapore	0%	100%
NucleusX Consulting Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
NucleusX, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Scientific Pathways, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Clinical Thinking Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Scientific Pathways Limited	8th Floor, 26 Southampton Buildings, London, WC2A 1AN	0%	100%
Medisys Health Communications, LLC	United Corporate Services, Inc., 80 Main Street, Suite 415, West Orange, NJ 07052	0%	100%
Ashfield Health Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Ashfield Health, LLC	Capitol Services Inc, 108 Lakeland Ave Dover DE 19901	0%	100%
Scientific Connexions Inc	Capitol Corporate Inc Services, Inc. Dauphin, United States	0%	100%
Scimentum Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
SciMentum, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Synaptikdigital Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Medistrava LLC	200 Portland Street Boston, MA 02114 USA	0%	100%
Ashfield MedComms GmbH	Harrlachweg 11, 68163 Mannheim, Germany	0%	100%
The Nucleus Group (Shanghai) Consultancy Co. Limited	Unit 508, 555 Nanjing Road (W), Shanghai, 200041, China	0%	100%
Medistrava Japan G.K.	Kasumigaseki 3-2-6 Tokyo Club Building 11F, Chiyoda, 1000013, Tokyo, Japan	0%	100%
Trading companies – Engage segment			
Cormis Partnership Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Cormis Partnership LLC	16192 Coastal Hwy, Lewes, DE 19958, United States	0%	100%
Logic Earth Learning Services	Pinsent Masons LLP, 1 Lanyon Place, Belfast, Northern Ireland, BT1 3LP	0%	70%
The Creative Engagement Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Moment Content Company, LLC	The Corporation Trust Company Corporation Trust Center 1209 Orange St, Wilmington, New Castle, DE, 1980	0%	100%
The Creative Engagement Group Inc.	251 Little Falls Drive, Wilmington, DE 19808	0%	100%
AH Services, Inc.	1100 Virginia Drive, Ste 200 Fort Washington, PA 19034, United States	0%	100%
Ashfield Direct GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Ashfield Excellence Academy Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Ashfield Healthcare (Ireland) Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Ashfield Healthcare Canada INC	263 Avenue Labrosse, Pointe-Claire, H9R 1A3, Quebec, Canada	0%	100%
Ashfield Healthcare GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Ashfield Healthcare GmbH	Wienerbergstraße 11/Turm A/10. OG, 1100 Wien, Austria	0%	100%
Ashfield Healthcare Limited	Ground Floor Ceva House Excelsior Road, Ashby Business Park Nottingham Road Ashby-De-La-Zouch Leicestershire LE65 1NG	0%	100%
Ashfield Healthcare, LLC	1100 Virginia Drive, Suite 200, Fort Washington, PA 19034, United States	0%	100%
Ashfield Iberia LDA	Avenida Dom João II Lote 1 06 2 2c 2 c, Parque Das Naçoes Edificio Atlantis, 1990-095 Lisboa, Portugal	0%	100%
Ashfield Iberia SLU	Calle Quintanavides, 13 Parque Empresarial Vía Norte, Edificio 1 - 2ª planta, 28230 Madrid, Spain	0%	100%
Ashfield Market Access LLC	1100 Virginia Drive, Suite 200, Fort Washington, PA 19034, United States	0%	100%
Ashfield Medical Dialogue Centre GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Ashfield Meetings & Events Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Ashfield Meetings & Events Inc	1100 Virginia Drive, Suite 200, Fort Washington, PA 19034, United States	0%	100%
Ashfield Nordic AB	Kungsgatan 48, 111 35 Stockholm, Sweden	0%	100%
Ashfield Nordic ApS	Rådhuspladsen 16, 1550 Copenhagen V, Copenhagen, Denmark	0%	100%
Ashfield Nordic Oy	Ruoholahdenkatu 21, 00180 Helsinki, Finland	0%	100%
Ashfield S.A	Fountain Plaza Building 501 Belgicastraat 1 1930 Zaventem, Belgium	0%	100%
Ashfield Saglik Hizmetleri Ticaret Ltd Sirketi	Sahrayıcedit Mah. Halk Sk., No:40 Pakpen Plaza K:1 34734 Kozyatağı/Kadıköy, Istanbul, Turkey	0%	100%
Auryn Produtos Farmaceuticos Unipessoal LDA	Avenida De Saboia, 189//, 2765-278 Monte Estoril//, Cascais, Portugal	0%	100%
Excelent Farma Portugal LDA	Avenida De Saboia, 189//, 2765-278 Monte Estoril//, Cascais, Portugal	0%	100%
Flexifarma Promocao de Productos Farmaceuticos, Unipessoal, LDA PT	Avenida De Saboia, 189//, 2765-278 Monte Estoril//, Cascais, Portugal	0%	100%
Kironfarma Produtos	Avenida De Saboia, 189//, 2765-278 Monte	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Farmaceuticos Unipessoal LDA	Estoril//, Cascais, Portugal		
Pharmexx UK Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Previs Produtos Farmaceuticos Unipessoal LDA	Avenida De Saboia, 189//, 2765-278 Monte Estoril//, Cascais, Portugal	0%	100%
Propensity4 Smart Data LLC	1085 Maple Hill Lane, Malvern, PA 19355, United States	0%	100%
Rofarm Iberica Productos Farmaceuticos Unipessonal LDA	Avenida De Saboia, 189//, 2765-278 Monte Estoril//, Cascais, Portugal	0%	100%
Selldirekt GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Sellxpert AG	Hauptstrasse 53 4127 Birsfelden, Switzerland	0%	50%
Sellxpert GmbH & Co. KG	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Sellxpert Verwaltungs GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
Nuvera LLC	2019 Virginia Avenue, McLean, VA 22101, United States	0%	100%
Trading companies – Accordience segment			
Citigate Dewe Rogerson Asia Limited	15th Floor Chinachem Hollywood Centre, 1 Hollywood Road, Central, Hong Kong	0%	100%
Citigate Dewe Rogerson Japan G.K.	Akasaka 1-12-32 Ark Mori Building 12F, Minato-ku, 1070052, Toyko, Japan	0%	100%
Citigate Dewe Rogerson (Beijing) Consulting Services Co., Ltd	1402A, 02C, Avic Mansion, No. 10 Yi, Central East Third Ring Road, Chaoyang District, Beijing 100022, China	0%	100%
Citigate Dewe Rogerson Limited	8th Floor Holborn Gate, 26 Southampton Buildings, London, England, WC2A 1AN	0%	100%
Citigate Dewe Rogerson Singapore Pte Ltd	105 Cecil Street #09-01 The Octagon Singapore 069534	0%	100%
CFF Communications B.V.	James Wattstraat 100-10, 1097 DM Amsterdam, The Netherlands	0%	100%
Dutko Worldwide, LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling (Shanghai) Public Relations Consulting Co., Limited	Room 801, Floor 8, F659 Building, Nanjing West Road, Jing'an District, Shanghai, China	0%	100%
Grayling Asia Pte Limited	105 Cecil Street #09-01 The Octagon Singapore 069534	0%	100%
Grayling Austria GmbH	Siebensterngasse 31, 1070 Wien, Austria	0%	100%
Grayling Bulgaria EOOD	9 Positano Str., Entry B Floor 2 1000 Sofia, Bulgaria	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Grayling China Limited	Unit 606, 6/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong	0%	100%
Grayling Communications Limited	8th Floor Holborn Gate, 26 Southampton Buildings, London, England, WC2A 1AN	0%	100%
Grayling Communications, Inc.	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling Comunicacion, S.L.	Paseo de la Castellana, 8, 4ºLeft, 28046 Madrid, Spain	0%	100%
Grayling Czech Republic s.r.o.	Palackého 740/1, 110 00 Prague 1, Czech Republic	0%	100%
Grayling d.o.o.	Vlaska ul.70C, Zagreb, Croatia	0%	100%
Grayling d.o.o.	Takovska 6, 11000 Belgrade, Serbia	0%	100%
Grayling d.o.o.	Ajdovščina 4, 8th floor, Ljubljana, Slovenia	0%	100%
Grayling Deutschland GmbH	Bleichstraße 52-56, 60313 Frankfurt am Main, Germany	0%	100%
Grayling Eurasia LLC	Krasnoproletarskaya Str. 16, Building 3, Entrance #8, Floor 5, Office 6, Moscow 127473, Russia	0%	100%
Grayling France SAS	15-17 rue Marsollier 75002 Paris, France	0%	100%
Grayling Hungary Kft	1011 Budapest, Corvin tér 10, Hungary	0%	100%
Grayling Poland Sp.z.o.o.	Equator II, Floor 5, Al. Jerozolimskie 96, Warsaw 00-807, Poland	0%	100%
Grayling Romania S.R.L	Str Maltopol 9, Secturul 1, 011047, Bucharest, Romania	0%	100%
Grayling SA	Avenue des Arts, 46, 1000 Brussels, Belgium	0%	100%
Grayling Slovakia s.r.o	Palisady 36, 811 06 Bratislava, Slovakia	0%	100%
The Quiller Consultancy Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Red Consultancy Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Dutko Global LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
The Cirkle Partnership Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, England, WC2A 1AN	0%	100%
AdvicePartners GmbH	Behrenstraße 27, D-10117 Berlin, Germany	0%	100%
Trading companies – Advisory segment			
Creativ-Ceutical Tunisie SARL	Immeuble Elysée, 2 Ème Étage, Les Berges du Lac, 1053 Tunisia	0%	100%
Creativ-Ceutical France SARL	16 Cours Albert 1er, Paris 8, 75008, Paris, France	0%	100%
Creativ Ceutical Poland sp. z.o.o.	12 Ul. Przemysłowa, 30-701, Kraków, Poland	0%	100%
Creativ-Ceutical Limited	8th Floor Holborn Gate 26 Southampton Buildings, London, WC2A	0%	100%
Creativ-Ceutical B.V.	Hofplein 19, 3032 AC, Rotterdam, The Netherlands	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Creativ-Ceutical USA Inc.	800 Township Line Road, Yardley PA 19067, United States	0%	100%
Creativ-Ceutical K.K.	Level 28 Shinagawa Intercity, Tower A 2-15-1, Konan Minato- Ku, Tokyo 108-6028, Japan	0%	100%
PHMR Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
PHMR Limited	Unit D Berkeley Works, Berkley Grove, London, NW1 8XY, United Kingdom	0%	100%
Putnam Associates Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Putnam Associates, LLC.	501 Boylston Street Suite 5102, Boston MA 02116, United States	0%	100%
Smart Analyst (India) Private Ltd	90/31 B, First Floor, Malviya Nagar, New Delhi-110017, India	0%	100%
SmartAnalyst Inc	285 Madison Avenue, 22 FL NY, NY 10017, United States	0%	100%
SmartAnalyst UK Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE651NG	0%	100%
STEM Healthcare Asia Limited	36/F Tower Two, Times Square, 1 Matheson Street Causeway Bay, HongKong	0%	100%
STEM Healthcare Australia Pty Ltd	36 Fox Street, Lane Cove, NSW 2066, Australia	0%	100%
STEM Healthcare Brazil Ltd	Edificio Birmann 11, Rua Alexandre Dumas, 1711, 5º Andar, Chácara Santo Antônio, Sao Paulo, Brazil	0%	100%
STEM Healthcare Canada Limited	489 Gallivan Drive RR#1 Ennisomore ON K0L 1TO, Canada	0%	100%
STEM Healthcare China Limited	Room 1022 Building 1, 215 Lian He North Road, Fengxian, Shanghai, PR China	0%	100%
STEM Healthcare Germany GmbH	Harrlachweg 11 68163 Mannheim, Germany	0%	100%
STEM Healthcare Japan KK	1-2-20 Shiodome Building 3F Kaigan Minato-ku Tokyo, Japan 105-0022	0%	100%
STEM Healthcare Limited	1.04 Power Road Studios 114 Power Road Chiswick London, W4 5PY, United Kingdom	0%	100%
STEM Healthcare Russia	Russian Federation 125167, Moscow, Leningradsky prospect 47, bld 2, floor 4 room 36, Russia	0%	100%
STEM Healthcare SARL	12 Quai du Commerce Le Thelemos 69009 Lyon, France	0%	100%
STEM Healthcare Singapore Pte Limited	50 Raffles Place, #15-05/06, Singapore Land Tower, Singapore (048623)	0%	100%
STEM Healthcare Spain SL	Avda de Europa 19 30 A Parque empresarial La Moraleja 28108 Alcobendas Madrid, Spain	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
STEM Healthcare US Inc	2555 Kingston Road, Suite 235, York PA 17402, United States	0%	100%
STEM Healthcare Auditoria E Consultoria Ltda	Edificio Birmann 11, Rua Alexandre Dumas, 1711, 5º Andar, Chácara Santo Antônio, Sao Paulo, Brazil	0%	100%
Vynamic Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Vynamic LLC	1600 Arch Street, Suite 200, Philadelphia PA 19103, United States	0%	100%
STEM Healthcare Italy S.r.l	Via Borgogna n. 5 – Milano 20122, Italy	0%	100%
STEM Healthcare Korea Ltd	Level 43, International Finance Centre Seoul, Three IFC, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul, 07326, South Korea	0%	100%
The Research Partnership Limited	2nd Floor 168 Shoreditch High Street, London, England, E1 6RA	0%	100%
The Research Partnership Healthcare Pte Ltd	94 Club Street, 69462, Singapore	0%	100%
The Research Partnership Inc	1218 Central Ave., Ste 100, Albany, 12205, NY, United States	0%	100%
Other trading and non-trading companies			
Huntsworth Communications Inc	Citigate Broad Street Inc, One South Broad St, 12 Floor, Philadelphia PA 19107, United States	0%	100%
Evoke Group LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling (CEE) Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Grayling Holdings AG	Gwattstrasse 8, c/o ueltschi solutions GmbH, 3185 , Schmitten, Switzerland	0%	100%
Grayling International AG	Gwattstrasse 8, c/o ueltschi solutions GmbH, 3185 , Schmitten, Switzerland	0%	100%
Grayling International Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
HHCG Acquisition LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
HS Corporate Investments Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Financial Holdings LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Financial LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Group LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Health North America LLC	874 Walker Road, Suite C, Dover DE 19904, United States	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Huntsworth Healthcare Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Healthcare Group LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Holdings GmbH	Bleichstraße 52-56, 60313 Frankfurt am Main, Germany	0%	100%
Huntsworth Holdings Inc.	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Investments Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
IG Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Quiller Associates Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Creative Engagement Group (Holding Co) Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Moment Content Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Red Consultancy Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
WRG Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
WRG Worldwide Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Blocker Acquisition LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth GCS Acquisition LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Giant, Inc	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Giant Creative Holdings, LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Huntsworth Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	0%	100%
Huntsworth Proton UK Bidco Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	0%	100%
Inizio Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	100%	100%
Inizio Services UK Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom, LE65 1NG	0%	100%
Hunter US Bidco Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, County of New Castle DE DE 19801, United States	0%	100%
Citigate Communications Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Ashfield Alliance Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Dublin Drug Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
Leitrim Healthcare Inc	53 State Street, 24th Floor, Boston, MA 02109, United States	0%	100%
Magna Healthcare, Inc	125 Chubb Avenue, Lyndhurst, New Jersey 07071, United States	0%	100%
Nenelite Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
Putnam Healthcare LLC	501 Boylston Street Suite 5102, Boston MA 02116, United States	0%	100%
Riverwalk Healthcare Inc	1600 Arch Street, Suite 200, Philadelphia PA 19103, United States	0%	100%
Speyloft Limited	20 Riverwalk Citywest Business Campus, Citywest, Dublin 24	0%	100%
SynopiaRx Inc	1100 Virginia Drive, Ste 200 Fort Washington, PA 19034, United States	0%	100%
UDG Healthcare (UK) Holdings Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE651NG	0%	100%
UDG Healthcare (US) Holdings Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
UDG Healthcare Ayrtons (Dublin) Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
UDG Healthcare KK	Hamamatsucho Building, 1-1-1 Shibaura, Minato-Ku, Tokyo, 105-0023, Japan	0%	100%
UDG Healthcare Distributors Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
UDG Healthcare Holdings B.V.	Neptunus 12, 8448 CN Heerenveen, The Netherlands	0%	100%
UDG Healthcare Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
UDG Healthcare Packaging Group Limited	c/o UDG Healthcare plc, 20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
UDG Healthcare UK (Holdco) Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
UDG Healthcare US Holdings, Inc	2400 Baglyos Circle Bethlehem PA 18020, United States	0%	100%
United Care Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
Dutko Midco LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Ulysses Odin Bidco Limited	8th Floor Holborn Gate, 26 Southampton Buildings, London, United Kingdom, WC2A 1AN	0%	100%
Ulysses US Newco LLC	The Corporation Trust Company, Corporation Trust Center - 1209 Orange St - Wilmington DE 19801, United States	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Creativ Ceutical S.A.R.L.	10, rue Jean Origer, L - 2269 Luxembourg	0%	100%
Huntsworth Spain, SL	P.º de la Castellana, 8, 28046 Madrid, Spain	0%	100%
Hunter UK Bidco Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	0%	100%
Ashfield Services North America LLC	Capitol Services, 108 Lakeland Ave Dover DE 19901, United States	0%	100%
Ashbourne Zártkörűen Működő Részvénytársaság (Ashbourne Limited)	H-1062 Budapest, Váci út 1-3. Building A. Floor 6, Hungary	0%	100%
Inizio Finance Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Inizio Healthcare Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland	0%	100%
JK Coaching Limited	5th Floor, 40 Mespil Road, Dublin 4, Dublin, D04 C2N4, Ireland	0%	100%
Nucleus Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Knowledgepoint360 Group (Holdings) Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Knowledgepoint360 SC Acquisition Corporation	125 Chubb Avenue, Lyndhurst, New Jersey 07071, United States	0%	100%
Knowledgepoint360 UK AquisitionCo Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
MFRHRC Holdings Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
The Global Medical Education Group Inc	Capitol Services Inc, 108 Lakeland Ave Dover DE 19901	0%	100%
Watermeadow Consulting USA Inc	Capitol Services Inc, 1218 Central Ave Ste 100 Albany, 12205, NY, United States	0%	100%
Strategic Pharma Solutions Inc	Capitol Services Inc, 1675 S State St STE B, Dover, Kent, DE, 19901	0%	100%
The Nucleus Group Holdings, Inc	2 Ravinia Drive, Suite 605, Atlanta GA 30346, United States	0%	100%
Cormis Partnership Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Ashfield Meetings & Events Group Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Ballina Pharma Inc	1100 Virginia Drive, Ste 200 Fort Washington, PA 19034, United States	0%	100%
Bruno Healthcare, Inc.	2400 Baglyos Circle Bethlehem PA 18020, United States	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Pharmexx Partipacoes Ltda	Avenida Brigadeiro Faria Lima, 3729, 4º andar, cj 04, Itaim Bibi, São Paulo, Brazil	0%	100%
Dormant Companies			
Axis Healthcare Europe Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Catalyst Communications Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
C-B Interests Inc.	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Citigate Cunningham LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Alchem Limited	C/o A& L Goodbody, 42-46 Fountain Street, Belfast, BT1 5EF, (Northern Ireland)	0%	100%
Aquilant Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Aquilant Nederland B.V.	Neptunus 12, 8448 CN Heerenveen, Netherlands	0%	100%
Aquilant Specialist Healthcare Services Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Congachant Limited	32 Molesworth Street, Dublin 2, Dublin, Ireland	0%	100%
Dublin Drug (Investments) Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Dublin Drug Company Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Magna Finance B.V.	Hoogoorddreef 15, 1101 BA, Amsterdam, Netherlands	0%	100%
Mansett Limited	C/o A& L Goodbody, 42-46 Fountain Street, Belfast, BT1 5EF, (Northern Ireland)	0%	100%
Marker International B.V.	Hoogoorddreef 15, 1101 BA, Amsterdam, Netherlands	0%	100%
UDG Healthcare Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
UDG Healthcare Nordic Limited	20 Riverwalk, Citywest Business Campus, Citywest, Dublin, 24, Ireland	0%	100%
Citigate Global Intelligence and Security Inc	Citigate Global Intelligence and Security Inc., 850 Third Ave, 11th Floor, New York New York 10022, United States	0%	100%
Citigate Global Intelligence and Security LLC	SOP address 22 Cortlandt St., New York, NY 10282	0%	100%
Conscientia Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Dewe Rogerson Group	8th Floor, Holborn Gate, 26 Southampton	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Limited	Buildings, London, WC2A 1AN, England		
Dutko DPM Holding LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Dutko Government Markets, LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Dutko State & Local, LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Dutko Washington, LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling Dormant 1 LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling UK Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Grayling Americas LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling Group LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling München GmbH	Bleichstraße 52-56, 60313 Frankfurt am Main, Hesse, Germany	0%	100%
Holmes & Marchant Corporate Design Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Dormant (IH) Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Dormant (IL) Limited	15/F., Chinachem Hollywood Centre, 1 Hollywood Road, Central, Hong Kong	0%	100%
Huntsworth Dormant (IUK)	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Dormant 7 Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth LLC	United Corporate Services, Inc., 10 Bank Street, White Plains, New York, 10606, United States	0%	100%
Fabric an Evoke Company LLC	CT Corporation System Philadelphia, 1515 Market Street, Philadelphia PA 19102, United States	0%	100%
Random Animal LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Rose & Kindel	1505 Corporation 402, United Corporate Services, Inc, 608 University Ave, Sacramento, CA 95825, United States	0%	100%
Sanchis y Asociados Imagen y Comunicacion, S.A	Paseo de la Castellana, 8, 5-izq., 28046 Madrid, Spain	0%	100%
The Access Partnership Limited	2nd Floor 168 Shoreditch High Street, London, United Kingdom, E1 6RA	0%	100%
The Access Partnership Inc.	1155 Business Center Dr Ste 130, Horsham19044, PA, United States	0%	100%
Dunwoodie Communications Inc	80 State Street, Albany, 12207, NY, United States	0%	100%
Lilliendial Limited	20 River Walk, Citywest Business Campus, Dublin 24, D24 NR23, Ireland	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Kaminvatta Hill Limited	20 River Walk, Citywest Business Campus, Dublin 24, D24 NR23, Ireland	0%	100%
Navience Systems LLC	945 Tennis Avenue, Ambler, 19002, PA, United States	0%	100%
Evoke Firsthand LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Traverse HealthStrategy LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Pegasus Marketing Communications Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom, LE65 1NG	0%	100%
ApotheCom ScopeMedical Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Creativ-Ceutical Bulgaria EOOD	28 Bul. Hristo Botev blvd., 1000, Sofia, BG	0%	100%
Boldscience Medical Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Chrysalis Medical Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Nucleus Global Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Ashfield Healthcare Communications KK	Hamamatsucho Building 1-1-1 Shibaura, Minato-ku Tokyo 105-0023, Japan	0%	100%
Gardcald Limited	Ground Floor, Ceva House Excelsior Road, Ashby Business Park, Nottingham Road, Ashby-De-La-Zouch, Leicestershire, United Kingdom LE65 1NG	0%	100%
Pantaleon Institute for Medical Education Inc	Capitol Services Inc, 108 Lakeland Avenue, Dover, DE, 19901	0%	100%
QXV Communications Inc	Capitol Services Inc, 108 Lakeland Ave Dover DE 19901, United States	0%	100%
Vitiello Communications Group LLC	825 George Road, New Brunswick Township NJ 08902, United States	0%	100%
Just Communicate Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Moment Content Company Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Axiom Professional Health learning LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Ashfield Meetings & Events S.R.L.	Rome (RM) Via Salaria 292,CAP 00198, Italy	0%	100%
GET Destinations, LLC	1100 Virginia Drive, Ste 200 Fort Washington, PA 19034, United States	0%	100%
Atomic Communications LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Grayling Nederland B.V.	James Wattstraat 100, 1097 DM Amsterdam, The Netherlands	0%	100%
Shiny Red Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%

Subsidiary undertaking	Registered office	% of shares held directly by Parent	% of shares held directly by Group
Atomic Communications Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Atomic PR UK Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Canyon Associates Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Dewe Rogerson Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Holmes & Marchant Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Communications Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Huntsworth Financial Group Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Hypertonic LLC	c/o United Corporate Services, Inc., 874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Mainstream Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Mainstream Presentations Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Moment Productions Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
The Red Consultancy California LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
The Red Consultancy USA LLC	Davis & Gilbert 1740 Broadway, New York, NY 10019, United States	0%	100%
The Rocket Science Group Holdings Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Tonic Life Communications Dallas LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
Evoke PR & Influence LLC	874 Walker Road, Suite C, Dover, DE 19904, United States	0%	100%
WRG Public Events Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN, England	0%	100%
Health Interactions Asia Pacific Pte Ltd	77 Robinson Road, #13-00 Robinson 77, Singapore, 068896, Singapore	0%	100%
Meditech Media (M) SDN. BHD	Level 9, Blok A Pusat Pdgn Amcorp, Jalan Persiaran Barat, Selangor, Malaysia	0%	100%
Team LGM Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, England, WC2A 1AN	0%	100%
Joint Venture			
CMIC Ashfield Co., Ltd	7–10–4 Nishi-Gotanda, Shinagawa-ku, Tokyo, Japan	0%	49.99%

Appendix 3 - Taskforce on Climate-Related Financial Disclosures (TCFD)

This is Inizio's first annual TCFD report. The table below summarises our actions and progress against the four pillars of the TCFD framework; governance, strategy, risk management and metrics and targets.

Inizio will continue to take actions to further implement the TCFD recommendations through the evolution of our processes and reporting mechanisms. In the next reporting cycle we will focus on scenario analysis and the impact this may have on our strategy.

Governance

The Board of Directors has ultimate oversight of all climate related risks and opportunities as part of our broader Sustainability Strategy. Our Executive sponsor of Sustainability, Neil Jones, has responsibility for climate change and wider sustainability topics.

One of Inizio's Non-Executive Directors, Brendan McAtamney, also acts as the Sustainability Non-Executive sponsor and he chairs the Inizio Sustainability Committee which meets regularly to discuss and monitor climate related issues and operational activities related to sustainability and climate change.

The assessment and management of climate-related risks and opportunities throughout Inizio is managed on a day-to day basis by our Head of ESG in conjunction with our Group Head of Risk & Compliance.

Incentives for our Senior Executive Team are not currently aligned with climate related goals but one of our objectives for 2023 is to further develop our sustainability KPIs so that the Remuneration Committee can align progress on climate-related goals with objectives for 2024.

Strategy

The Head of ESG in conjunction with the Group Head of Risk & Compliance, supported by the Sustainability Committee, have identified both physical and transitional climate-related risks and opportunities including physical, regulation, technology, market and reputational risks. A detailed list of the climate-related risks and opportunities including their impact on Inizio's businesses, strategy and financial planning can be located in our public 2022 CDP response.

We have not yet conducted scenario analysis but intend to do throughout 2023 and we will disclose the output of this analysis in future reports.

Risk Management

The identification and management of climate related risks follows our existing risk management framework. Climate related risks are captured as part of our Enterprise Risk Assessment and reported through the Principal Risk Dashboard. The Principal Risk Dashboard is reviewed at each meeting of the Audit Committee, a Sub-Committee of the Board. The Group has identified the overall impact of Sustainability as a new principal risk relating to the potential failure to meet regulatory and ethical expectations from clients, employees and other broader stakeholders as well as the climate impact on the Group.

Metrics and Targets

Inizio reports scope 1, scope 2 and scope 3 greenhouse gas emissions (verified) via our CDP submission and it is also included within our Financial Statements and standalone Sustainability Report.

We have set an emissions intensity target of 10% covering scope 1 and scope 2 emissions, representing tons of CO_2e per unit of revenue using 2021 as a baseline with a target year of 2025. In conjunction with this target, we have recently developed near-term science-based targets across scope 1, 2 and 3 and these targets are in the process of being submitted to the Science Based Target initiative for validation. To support the achievement of these targets, Inizio has agreed to procure 100% renewable electricity across our offices globally by 2030 and to transition 50% of our sales fleet to hybrid and electric vehicles by 2025.

Despite having already conducted a screening exercise of our scope 3 emissions in 2022, we understand that more analysis is needed to refine this data and to apply specific emissions factors in the future, rather than relying on spend-based data. This process will continue throughout 2023 and its output will inform the basis of longer-term science-based targets in the future.

Other Information

Company Secretary
Martin Morrow

Registered Number
12487650

Registered office and Group headquarters
Inizio Group Limited (formerly Hunter Holdco 3 Limited)
8th Floor, Holborn Gate
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Independent auditors
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Dublin 2
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Ireland

If you would like further information about Inizio, please visit our website at https://inizio.health/