

27 February 2023



GlobalData Plc

**Full Year Results
31 December 2022**

GlobalData Plc (AIM: DATA, GlobalData, the Group), a leading provider of industry intelligence, today publishes its results for the year ended 31 December 2022 (FY22).

- Our strong performance in 2022 has accelerated our Adjusted EBITDA earnings expectations for FY23
- Delivered target of 10% underlying revenue growth and Adjusted EBITDA margin of 36%
- Proposed final dividend increases total dividend by 35% to 26.0 pence per share
- Strong momentum with >80% visibility on FY23 revenue and accelerating towards 40% Adjusted EBITDA margin
- Well positioned for sustainable organic growth, supported by earnings enhancing M&A

Mike Danson, Chief Executive Officer of GlobalData Plc, commented:

“Today we are reporting an excellent set of results for FY22 with overall revenue growth of 28%, including underlying revenue growth of 10% and Adjusted EBITDA margin of 36%, delivering our near-term financial targets. As signalled in our trading update on 10 January 2023, our strong performance in 2022 has brought forward our Adjusted EBITDA earnings expectations by a year.

We have delivered on our previously stated near-term financial targets and continue to drive the business forward. The resilient nature of our business model underpins confidence in our ability to continue to achieve double-digit revenue growth, significant margin progression and to pay a progressive dividend.

This year, we have continued to invest heavily in our people, our platform and in our unique product which is yielding such strong results. Our product continues to deliver mission-critical intelligence and insights to our customers driving strong growth across both new and existing customers. I would like to thank the team for all their efforts to evolve our scalable One Platform, which now covers 20 sectors, delivering must-have critical information to a growing global customer base.

We enter 2023 in a position of strength with visibility on more than 80% of our FY23 revenue guidance, giving us the confidence for both growth and margin expansion into 2023 and beyond. I believe we are at an inflection point in our journey and poised to leverage the platform further. With a strong business model and differentiated product, GlobalData is well placed to capitalise on the multiple levers open to us to create long-term compounding growth and shareholder returns in the year ahead and beyond.”

Highlights

Financial results for the year ended 31 December 2022.

| Key performance metrics | 2022 | 2021 | Growth | Underlying growth ¹ |
|---------------------------------------|---------|---------|--------|--------------------------------|
| Revenue | £243.2m | £189.3m | +28% | +10% |
| Operating profit | £56.0m | £38.2m | +47% | |
| Adj. EBITDA ² | £86.4m | £64.4m | +34% | |
| Adj. EBITDA margin ² | 36% | 34% | +2p.p. | |
| Statutory profit before tax (PBT) | £38.4m | £32.6m | +18% | |
| Earnings per share (EPS) | 27.1p | 21.9p | +24% | |
| Adj. EPS ³ | 43.3p | 36.2p | +20% | |
| Total dividends | 26.0p | 19.3p | +35% | |
| Invoiced Forward Revenue ⁴ | £133.5m | £107.7m | +24% | +12% |
| Net bank debt ⁵ | £249.6m | £177.6m | +41% | |

Financial Highlights

- **Strong growth in both revenues and profit means we delivered our ‘rule of 40’ goal**
 - Underlying¹ revenue growth of 10%, underpinned by subscriptions – 81% of total revenues.
 - Demonstrates the significant opportunity for GlobalData to grow revenue organically, aided by the benefit of acquisitions and currency tailwinds for reported growth of 28%.
- Adjusted EBITDA² up 34% to £86.4m (2021: £64.4m) and Adjusted EBITDA margin² improvement of 2 percentage points to 36%.
- Statutory PBT grew by £5.8m to £38.4m (2021: £32.6m) reflecting an 18% increase on prior year.
- Operating cash flow grew by 41% to £85.4m (2021: £60.5m) which was 99% of Adjusted EBITDA (2021: 94%).
- Continued improvement of Invoiced Forward Revenue⁴ growth of 24% up to £133.5m at 31 December 2022 (2021: £107.7m), which includes underlying growth of 12%, the benefit of acquisitions and currency tailwinds.
- Final dividend of 18.3p, up 39% (2021: 13.2p); total dividend of 26.0p, up 35% (2021: 19.3p).

Operational Highlights

- **Delivering on our Growth Optimisation Plan via four key pillars:**
 - Customer Obsession, World-Class Product, Sales Excellence and Operational Agility.
- **Customer Obsession remains our number one priority**
 - Enhanced our client relationships with focused initiatives contributing to improved renewal rates, increased average client value and continued traction with multi-year deals.
- **Continued investment in our World-Class Product, embedding artificial intelligence and machine learning**
 - Scalable ‘One Platform’ now covers 20 sectors, delivering must-have critical information.
 - Our unique platform is ideally positioned to integrate new datasets and verticals.
- **Immediate value derived following completion of two further strategic acquisitions**
 - *Media Business Insight* – a new vertical with deep media sector intelligence.
 - *TS Lombard* – bringing global economic and political research filling a gap in thematic intelligence.
 - Integrations on track.
- **Focus on strong Sales Excellence driving results**
 - We start the year with 80% visibility of budgeted revenues for 2023.
- **Delivering Operational Agility with continued disciplined approach to cost**
- **Completed refinancing to support future M&A strategy**

Current Trading and Outlook

- Entering the new financial year from a position of strength and scope for further margin improvement.
- Set to deliver resilient growth - uncertainty driving demand for our ‘gold standard’ data, delivered through our One Platform.
- A focused approach to cost management and capital discipline, including mitigating the impact of inflation through advancements in technology and efficiency savings, whilst ensuring the business remains appropriately invested for sustainable growth and systematic M&A activity.
- Clear financial targets for FY23 and beyond:
 - In FY23, at least 10% underlying revenue growth, adjusted EBITDA margin of 40%.
 - Beyond FY23, platform in place to drive further margin enhancement through organic and inorganic growth.

Note 1: Underlying growth: Defined as growth in business excluding impact of movement in exchange rates and adjusts for the proforma results of acquired business.

Note 2: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, adjusted to exclude costs associated with acquisitions, restructuring of the Group, share-based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. This is reconciled to the statutory operating profit on page 8.

Note 3: Adjusted EPS: Adjusted profit after tax per share (reconciliation between statutory profit and adjusted profit shown on page 8).

Note 4: Invoiced Forward Revenue: Invoiced Forward Revenue relates to amounts that are invoiced to clients at the statement of financial position date, which relate to future revenue to be recognised. This is reconciled to deferred revenue on page 13.

Note 5: Net bank debt: Short and long-term borrowings (excluding lease liabilities) less cash and cash equivalents.

ENQUIRIES

GlobalData Plc

Mike Danson, Chief Executive Officer
Graham Lilley, Chief Financial Officer

0207 936 6400

J.P. Morgan Cazenove (Nomad and Joint Broker)

Bill Hutchings / Mose Adigun

0207 742 4000

Panmure Gordon (Joint Broker)

Rupert Dearden / Dougie McLeod

0207 886 2500

Numis Securities (Joint Broker)

Nick Westlake / Iqra Amin

0207 260 1000

FTI Consulting LLP (Financial PR)

Edward Bridges / Dwight Burden / Emma Hall

0203 727 1000

Notes to Editors

About GlobalData Plc

GlobalData Plc (AIM: DATA) is a leading data, insights, and analytics platform for the world's largest industries. Our mission is to help our clients decode the future, make better decisions, and reach more customers.

One Platform Model

GlobalData's One Platform model is the foundation of our business and is the result of years of continuous investment, targeted acquisitions, and organic development. This model governs everything we do, from how we develop and manage our products, to our approach to sales and customer success, and supporting business operations. At its core, this approach integrates our unique data, expert analysis, and innovative solutions into an integrated suite of client solutions and digital community platforms, designed to serve a broad range of industry markets and customer needs on a global basis. The operational leverage this provides means we can respond rapidly to changing customer needs and market opportunities, and continuously manage and develop products quickly, at scale, with limited capital investment as well as providing unique integration opportunities for M&A.

Strategic Priorities

GlobalData's four strategic priorities are: Customer Obsession, World-Class Product, Sales Excellence and Operational Agility.

Growth Optimisation Plan

GlobalData's Growth Optimisation Plan is a set of initiatives designed to drive revenue growth and profitability. The Plan's initiatives operate across all of GlobalData's operations but are organised around the strategic priorities noted above.

CHIEF EXECUTIVE'S REVIEW

At GlobalData we are on a mission to help our c.4,700 clients to decode the future, make better decisions, and reach more customers. In the last 12 months, clear progress has been made to enhance our position as a leading intelligence and insights platform through sustained underlying momentum and further execution of our M&A strategy.

Uncertainty drives demand for our business. Our mission critical data is a 'must-have' rather than 'nice to have' for a wide range of blue-chip corporates, and once embedded, provides all the insight our clients need to navigate a challenging macro backdrop. We create our intelligence from a deep pool of experts across the globe, including 2,000 analysts and researchers, 250 data scientists and 100 journalists.

Continued momentum in 2022 has been clearly demonstrated through our strong financial and operational performance. Investing for growth throughout 2022, in our people and in our scalable One Platform, which now covers 20 sectors, has enabled the Group to enhance its highly valued, must-have, critical information to a growing global customer base.

We have now reached the next stage of our development; the 'leveraging the platform' phase is where we intend to capitalise on the multiple levers open to us to create growth. As we enter the new financial year, the management team and Board remain focused on delivering long-term, compounding growth and shareholder returns.

Underlying growth

With a continued strong performance throughout the year, I am pleased to report that GlobalData successfully delivered its near-term financial target of at least 10% revenue growth and Adjusted EBITDA margin of 35-40%. In the last five years, subscriptions have grown from approximately 70% of revenues to more than 80%, with margin nearly doubling.

The Group reported revenue of £243.2m (2021: £189.3m), including 10% underlying growth. Operating profit grew by 47% to £56.0m (2021: £38.2m) and Adjusted EBITDA increased by 34% to £86.4m (2021: £64.4m). The growth in Adjusted EBITDA was driven by our strong revenue growth and our ability to control what is a relatively fixed cost base, delivering an Adjusted EBITDA margin of 36%. The Group had a strong finish to the year with underlying Invoiced Forward Revenue growth of 12% at 31 December 2022, with overall growth of 24%.

Traction with our subscription model continued through the year, with improving renewal rates evidenced in both volume and value at 84% (2021:83%) and 101% (2021: 97%) for our larger clients (>£20k) respectively. We have demonstrated our ability to optimise pricing in 2022 and there remains significant opportunity to continue with price increases and deliver enhanced value for customers, particularly in recently acquired businesses. As a result, with inherently predictable and recurring revenue, the Group enters the new financial year with c.80% revenue visibility for FY2023.

A continued trend is the growth of multi-year deals. Over the last three years, multi-year deals by value have grown from 20% to 39%, which highlights the strength of our product, the criticality of our platform to our customers and the growing resilience of our revenue growth.

Platform ideally positioned to integrate new datasets and verticals

Our underlying growth is also supported by strategic M&A opportunities. Our scalable platform is ideally positioned to integrate new datasets and content into our existing vertical offering or expand our breadth into new vertical markets. Our M&A strategy is disciplined and systematic, with value creation being a core competence of the Group.

Following completion of the Life Sciences acquisition in November 2021 and LMC in December 2021, we completed two more acquisitions during 2022. We acquired Media Business Insight (MBI) in June 2022, bringing new and unique gold standard datasets across the film, TV and media markets to GlobalData. This, combined with our existing Technology content, provides the Group with a new vertical with deep media sector intelligence and related services while strengthening clients' access to a more comprehensive range of industry expertise.

In September 2022, we announced the completion of the TS Lombard acquisition, which provides global economic and political research to businesses and financial markets to clients across the globe, with a particular strength in China and emerging markets. This move further enables us to sell our full product suite, not only to the asset management industry, but increasingly to other corporates, and it has been integrated onto the GlobalData platform. TS Lombard brings to us a strong team of research analysts and economists who have on-the-ground networks and insights from developed and emerging markets. This addition has helped us to fill a gap in our thematic intelligence offering, allowing us to arm clients with a globally integrated macro story which in times of uncertainty is in increasing demand as clients seek to navigate and make sensible, proactive decisions quickly.

We welcome these new businesses into the GlobalData family. Both represent strategic bolt-on acquisitions of data assets, efficiently complementing our One Platform model and adding value to our global and scalable product.

In August 2022, we agreed a new three-year £410m debt financing facility which will be used to support our long-term growth, including future M&A opportunities.

Delivering our Growth Optimisation Plan

The Growth Optimisation Plan, launched in 2020, is our framework to invest for growth with the aim to be the leading data, analytics, and insights platform for the world's largest industries. As a responsible business, sustainability sits at the heart of our plan and, as a team, GlobalData is a firm believer that our Company can drive positive change and be a force for good through our critical information and technology innovations.

With multiple levers for growth, supplemented with M&A activity, we are delivering on the Plan via four key pillars: Customer Obsession, World-Class Product, Sales Excellence and Operational Agility.

1) Customer Obsession remains our number one priority

Customer Obsession remains our priority and is central to our strategy. It runs through everything we do, and we continue to focus on client needs and on providing unique and innovative solutions. We strive to maintain strong customer relationships and endeavour to build even deeper relationships.

Our ongoing initiatives are aimed at providing clients with world-class solutions delivered with exceptional levels of service. Our focus on top-tier clients is gaining traction, and we continued to increase resources throughout the year, enhanced usability and grew via our top-750 programme.

Usage of our product is aimed at multiple use cases and job functions within an organisation, giving opportunity to expand usage within our existing clients, resulting in more seats taken. This focus meant that Average Client Value improved 13% in 2022 to £47,900 (2021: £42,400).

The net result of our Customer Obsession is improving renewal rates by volume and value, as well as greater levels of profitability. Looking ahead, we remain laser focused on improving in the different areas of Customer Obsession. This should enhance some of our key operational metrics: for example, the volume renewal rate in 2022 for clients paying more than £20k p.a. was 84%; a priority is to increase volume renewal rates to over 90% or more over the medium term.

2) Continued investment in our World-Class Product provides a resilient model, geared for growth

We have developed a World-Class Product enabling us to offer our clients 'gold standard' data. Our unique selling point is the intelligence created by more than 800 analysts, 2,000 researchers and 100 journalists in our business. Our One Platform empowers the world's largest 20 industries and is highly scalable. Having invested in our technology stack and enhanced our artificial intelligence powered solutions through the year, we are now able to offer a more personalised experience to our clients.

We continue to invest in our product, to keep it best-in-class and scalable. This is particularly evident in our efforts to optimise the production of our digital content with investments in artificial intelligence and machine learning, which are now truly embedded in our offering.

Our routes to market continue to expand with our multiple media sites. Our media assets provide limited free-to-access insight through to high value, paywalled custom products and continues to prove a powerful go-to-market proposition, driving new customers up the value curve over time.

We are focusing on usability and strong adoption across our entire user base, ensuring that our newly acquired assets integrate efficiently and provide immediate synergies for our business and our clients.

Following the successful integration of the Life Sciences business as well as the LMC integration, we are now on the final stretch to fully integrate our most recent acquisitions of MBI and TS Lombard. We are already seeing the immediate value of these new assets.

TS Lombard has significantly expanded our Thematic Intelligence capability, strengthening our "macro themes" product and making GlobalData a market leader in tech, industry, macro and ESG themes. Through this acquisition, we have also gained exposure to TS Lombard's clients, who are predominantly institutional investors, a market in which we have historically been underrepresented.

The depth of industry verticals we cover, combined with our One Platform approach, provides c.4,700 businesses around the world with mission-critical data to make informed business decisions. As a result, we are seeing improving customer retention, pricing power and an increasing shift to multi-year deals.

3) Acute focus on Sales Excellence is driving results

Our sales teams performed well during 2022, delivering 10% underlying growth in the year and 12% underlying growth in Invoiced Forward Revenue.

Looking ahead, our sales teams have a clear focus on the key levers for growth. Linked to our Customer Obsession initiatives, our ambitious target is to take our volume renewal rate in our larger clients (>£20k) from 84% to over 90%, through increasing client engagement and enhancing client and user experience. We will also look to embed further AI-driven tools into our renewals workflow, both in terms of helping our clients derive more value from their partnership and also to alert internal teams on the health of our client relationships. Reducing the churn of our existing clients sets a greater platform for growth and de-risks some of the upsell and new business growth levers.

We continue to see a significant opportunity to add greater value to our existing clients, including via sales synergies in acquired businesses. There is also a large white space in the market, for example, where we believe there are 125,000 client opportunities, with significant latent growth in the US and professional services markets.

4) Demonstrating Operational Agility with disciplined approach to cost

With an ongoing disciplined approach to cost, we continue to maintain a largely fixed cost base. During the year, as we have invested heavily in advancing our product, we have been able to achieve price increases for our renewing clients as we continue to push more relevant content, in a timely manner and in an increasingly personalised way – just as our clients want it.

In August 2022, GlobalData secured a new three-year £410.0m debt financing facility, providing the Group with additional firepower to execute its M&A growth strategy. This facility matures on 5 August 2025, with an option to extend further by a year. The debt facility comprises a £290.0m term loan, to be used in part to repay existing indebtedness of £229.2m, as well as a Revolving Credit Facility ("RCF") of £120.0m. The RCF is currently undrawn, but will be used to support long-term growth of the business, including M&A.

We thank our existing lenders, who have all extended their support through participation in this issuance, plus our new lenders as we seek to create shareholder value through further strategic acquisitions.

We have a clear capital allocation policy to operate within 2-3x net bank debt leverage, in relation to EBITDA. The Group reviews leverage on a look forward basis and the high degree of visibility it has on its revenue and earnings gives the Group comfort. Furthermore, the free cash flow profile of the business sees the Group de-lever reasonably quickly subject to any additional M&A and share buy-backs.

Dividends

We are pleased to propose a final dividend of 18.3 pence per share (2021: 13.2 pence), to be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be on 30 March 2023. The proposed final dividend increases the total dividend for the year to 26.0 pence per share (2021: 19.3 pence), an increase of 35% in line with growth in Adjusted EBITDA.

Our Colleagues

We have delivered another strong set of results and our success is underpinned by the talent and dedication of our GlobalData team. Investment in enhancing our One Platform and in our people throughout the year has continued and I am confident that through our acute focus on our Growth Optimisation Plan we will celebrate further achievements in 2023 and beyond.

I would like to thank all my GlobalData team and welcome the new colleagues who have joined us and bring a wealth of knowledge via the MBI and TS Lombard acquisitions. Together, we are building a responsible business that invests in its people and our clients' success, delivering highly valued, must-have, critical information to a growing audience.

Current Trading and Outlook

As stated in the recent year-end trading update, GlobalData enters the new financial year from a position of strength with 80% revenue visibility for FY2023 and scope for further margin improvement. The business continues to deliver resilient growth. Uncertainty is driving demand for our business, as customers continue to rely on and embed our 'gold standard' data, delivered through our One Platform.

As we enter the new financial year, we maintain a focused approach to cost management and capital discipline, whilst ensuring the business remains appropriately invested for sustainable growth and opportunistic on M&A activity.

The management team at GlobalData have clear financial targets for the year of at least 10% underlying revenue growth and Adjusted EBITDA margins of 40%, which leaves us well positioned to deliver on the 'rule of 50' in the longer term.

Mike Danson

Chief Executive Officer

27 February 2023

CHIEF FINANCIAL OFFICER'S REVIEW

| <i>£m</i> | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|--------------------------------|--------------------------------|
| Revenue | 243.2 | 189.3 |
| Operating profit | 56.0 | 38.2 |
| <i>Adjusting items</i> | | |
| Depreciation | 6.4 | 6.8 |
| Amortisation of acquired intangible assets | 9.1 | 5.6 |
| Amortisation of software | 1.0 | 0.9 |
| Share-based payments charge | 4.1 | 9.2 |
| Costs relating to share-based payments scheme | 0.9 | - |
| Restructuring and refinancing costs | 2.5 | 1.4 |
| Unrealised operating foreign exchange loss/(gain) | 2.5 | (0.1) |
| M&A and contingent consideration costs | 3.9 | 2.4 |
| Adjusted EBITDA | 86.4 | 64.4 |
| Adjusted EBITDA margin ¹ | 36% | 34% |

| | | |
|---|-------------|-------------|
| Statutory profit before tax | 38.4 | 32.6 |
| Amortisation of acquired intangible assets | 9.1 | 5.6 |
| Share-based payments charge | 4.1 | 9.2 |
| Costs relating to share-based payments scheme | 0.9 | - |
| Restructuring and refinancing costs | 2.5 | 1.4 |
| Unrealised operating foreign exchange loss/(gain) | 2.5 | (0.1) |
| M&A and contingent consideration costs | 3.9 | 2.4 |
| Adjusted profit before tax | 61.4 | 51.1 |
| Adjusted income tax expense ² | (12.6) | (10.0) |
| Adjusted profit after tax | 48.8 | 41.1 |

| | | |
|---|-------------|-------------|
| Cash flow generated from operations | 85.4 | 60.5 |
| Interest paid | (14.0) | (3.4) |
| Income taxes paid | (9.5) | (5.1) |
| Principal elements of lease payments | (5.9) | (5.8) |
| Purchase of intangible and tangible assets | (2.7) | (1.3) |
| Free cash flow | 53.3 | 44.9 |
| Operating cash flow conversion % ³ | 99% | 94% |
| Free cash flow conversion % ⁴ | 87% | 88% |

| Earnings attributable to equity holders: | | |
|---|------|------|
| Basic earnings per share (pence) | 27.1 | 21.9 |
| Diluted earnings per share (pence) | 26.2 | 20.2 |
| Adjusted basic earnings per share (pence) | 43.3 | 36.2 |
| Adjusted diluted earnings per share (pence) | 41.9 | 33.4 |

¹ Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue. Note 2 discloses the rationale for the adjusting items in detail.

² Adjusted income tax expense represents the statutory income tax expense adjusted for the tax effect on adjusting items. In addition, the adjusted income tax expense includes the effect of any tax rate changes. Adjusted income tax expense has been reconciled on page 12.

³ Operating cash flow conversion is defined as: Cash flow generated from operations divided by Adjusted EBITDA.

⁴ Free cash flow conversion is defined as: Free cash flow generated from operations; being cash flow generated from operations less interest paid, income taxes paid, principal elements of lease payments and purchase of intangible and tangible assets; divided by Adjusted profit before tax. We have updated the definition to include principal elements of lease payments compared with the Annual Report for the year ended 31 December 2021, accordingly the comparative has been adjusted above.

The financial position and performance of the business are reflective of the core financial elements of our business model: visible and recurring revenues, high incremental margins, scalable opportunity and strong cash flows.

The Directors believe that Adjusted EBITDA, Adjusted EBITDA margin, Adjusted profit before tax, Adjusted profit after tax and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and internally we review the results of the Group using these measures. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit.

Financial Key Performance Indicators

The financial KPIs below are used, in addition to statutory reporting measures, by the Executive Directors to monitor the Group's performance and progress. These KPIs are used to measure progress against strategy, the strength of the business and long-term prospects for our stakeholders.

| | Revenue | Invoiced Forward Revenue | Adjusted EBITDA | Adjusted EBITDA margin | Net bank debt |
|---------------------|----------------|--------------------------|-----------------|------------------------|----------------|
| 2022 | £243.2m | £133.5m | £86.4m | 36% | £249.6m |
| 2021 | £189.3m | £107.7m | £64.4m | 34% | £177.6m |
| % reported growth | 28% | 24% | 34% | 2p.p. | 41% |
| % underlying growth | 10% | 12% | 36% | 2p.p. | 41% |

The Group delivered on its ambition to achieve at least 10% underlying revenue growth and achieve margin of 35-40% and now sets its target on exceeding 40% margin.

The platform economics of our business model meant that a significant proportion of the underlying revenue growth filtered through to EBITDA without material incremental cost of sale. This therefore gave the Group a significantly improved margin from 34% to 36%, achieving our previous margin range target.

In addition to the underlying performance of the business, the deployed debt also brought in two further acquisitions to the Group, MBI and TS Lombard. These additions also contributed to the revenue growth and increased profitability in the year.

Operational Key Performance Indicators

The operational key performance indicators ("KPIs") below are used by the Directors to monitor the quality of revenue growth and understand underlying performance. Our operational KPIs are:

Value Renewal Rate – this is calculated by dividing the total subscription sales value closed in the year compared with subscription value available for renewal (based upon prior year value).

Volume Renewal Rate – this is calculated by dividing the total volume of subscription sales closed in the year compared with subscription volume available for renewal.

Average Client Value – this is calculated using the total value of sales across our clients and showing an average value.

Our operational KPIs reference sales orders rather than revenue and therefore impact both revenue recognised in the year as well as Invoiced Forward Revenue.

As at 31 December 2022, the total number of clients (>£5,000 spend) was 4,735 (2021: 4,732).

| | Clients >£20,000 | | | All Clients (above £5,000) | | |
|-------------|--------------------|---------------------|----------------------|-------------------------------|---------------------|----------------------|
| | Value renewal rate | Volume renewal rate | Average client value | Value renewal rate | Volume renewal rate | Average client value |
| 2022 | 101% | 84% | £75,100 | 99% | 78% | £47,900 |
| 2021 | 97% | 83% | £72,900 | 95% | 75% | £42,400 |
| Movement | 4p.p. | 1p.p. | 3% | 4p.p. | 3p.p. | 13% |

Strong performance in underlying operational KPIs helped deliver 10% underlying growth. We improved our Group volume renewal rates by 3 percentage points to 78% compared with 2021. The Group also demonstrated strong pricing power, as well as a good performance in selling more licences and product to its existing client base. The additional value meant that the value renewal rate for the Group was 99% compared with 95% in 2021, with a particularly strong performance in our larger client base.

The Group's Performance This Year

1. Revenue

Revenue grew by 28% to £243.2m, driven largely from underlying growth of 10% and aided by revenue from recent M&A and the benefit of currency gains (2021: £189.3m). On an underlying basis, subscriptions (representing 81% of revenue (2021: 81%)) grew by 10% underpinned by improving renewal rates, strong pricing and client contract growth as well as new business wins.

2. Profit before tax

Profit before tax for the year grew by £5.8m to £38.4m (2021: £32.6m), which partly reflects the operating leverage which has driven Adjusted EBITDA to grow by £22.0m to £86.4m (2021: £64.4m), offset with increases in finance and other operating costs.

| <i>£m</i> | Year ended | Year ended | Change % |
|---|------------------|------------------|-------------|
| | 31 December 2022 | 31 December 2021 | |
| Revenue | 243.2 | 189.3 | +28% |
| Operating costs | (156.8) | (124.9) | +26% |
| Adjusted EBITDA | 86.4 | 64.4 | +34% |
| Depreciation | (6.4) | (6.8) | -6% |
| Amortisation of acquired intangible assets | (9.1) | (5.6) | +63% |
| Amortisation of software | (1.0) | (0.9) | +11% |
| Share-based payments charge | (4.1) | (9.2) | -55% |
| Costs relating to share-based payment schemes | (0.9) | - | +100% |
| Refinancing costs | (1.9) | (0.2) | +850% |
| Restructuring costs | (0.6) | (1.2) | -50% |
| Revaluation loss on short and long-term derivatives | (0.6) | (0.9) | -33% |
| Unrealised operating foreign exchange losses | (1.9) | 1.0 | +290% |
| M&A costs | (2.9) | (2.4) | +21% |
| Contingent consideration | (1.0) | - | +100% |
| Finance costs | (17.6) | (5.6) | +214% |
| Profit before tax | 38.4 | 32.6 | +18% |

Adjusted EBITDA

Adjusted EBITDA increased by 34% to £86.4m (2021: £64.4m). The growth in Adjusted EBITDA was driven by our strong revenue growth and our ability to control what is a relatively fixed cost base.

We have an established operating cost base and given the economics of our platform business, which sees limited incremental cost of sale, our overall margin increased by 2 percentage points to 36% (2021: 34%).

Adjusting items

Adjusting items grew by £4.5m in total, with some significant individual movements of note:

- The amortisation charge for acquired intangibles has increased by £3.5m to £9.1m (2021: £5.6m). This is reflective of intangible assets acquired as part of the four business combinations over the past 15 months and resulting increases in amortisation.
- The share-based payment charge has decreased from £9.2m to £4.1m, largely due to the vesting of Scheme 1 in August 2022, which carried no charge in 2022.

The charge for 2022 included IFRS2 costs for Schemes 2 and 4 including the modification disclosed within note 10. The modification was effective from 30 November 2022 and therefore only had an impact of £0.5m increase in charge in the year. It is expected that the charge will increase in future years because of the modification.

- M&A costs grew year on year, reflecting continued M&A transactions in 2022.

Finance costs

Finance costs have increased by 214% to £17.6m (2021: £5.6m) which is inclusive of a non-cash IFRS9 charge of £2.1m (2021: £0.8m) and IFRS16 leases interest of £1.3m (2021: £1.5m). The cash paid in interest in 2022 was £14.0m (2021: £3.4m).

This reflects the increase in average drawn debt in 2022 compared with 2021, which funded the M&A activity over the past 15 months and purchase of own shares, in addition to the increase in interest rates.

Finance costs are calculated on drawn debt based upon on a margin range of 275-375bps, dependent on Group net leverage, plus SONIA (Sterling Overnight Index Average rate). The Group entered into a swap arrangement on SONIA on 21 October 2022 amid the backdrop of rising rates. The arrangement fixed SONIA at 4.9125% over the remaining life of the term loan. Undrawn debt carries interest at one third of the prevailing margin.

Leases

Within our operating costs, depreciation in relation to right-of-use assets was £4.7m (2021: £5.0m). Other income, in relation to sub-let income on right-of-use assets was £0.1m (2021: £0.4m). Our net finance costs include interest of £1.3m in relation to lease liabilities (2021: £1.5m).

3. **Foreign exchange impact on results**

The Group derives around 60% of revenues in currencies other than Sterling, compared with around 40% of its cost base. The impact of currency movements in the year increased revenue by £7.9m, which mainly reflected Sterling weakness against US Dollar (average rate: 2022: 1.25, 2021: 1.38), with £6.0m currency benefit also reflected in Invoiced Forward Revenue. Cost inflation as a result of currency movements fully offset the gain in the year and impacted the results by £8.8m. The full impact of currency on Adjusted EBITDA was a reduction of £0.9m.

| £m | Revenue | Operating costs ¹ | Adjusted EBITDA | Margin | Invoiced Forward Revenue |
|------------------------------------|--------------|------------------------------|-----------------|---------------|--------------------------|
| As reported | 243.2 | (156.8) | 86.4 | 36% | 133.5 |
| <i>Add back currency movements</i> | | | | | |
| US Dollar | (8.1) | 6.8 | (1.3) | | (6.0) |
| Euro | 0.3 | - | 0.3 | | - |
| Other | (0.1) | 2.0 | 1.9 | | - |
| Constant currency | 235.3 | (148.0) | 87.3 | 37% | 127.5 |
| 2021 - as reported | 189.3 | (124.9) | 64.4 | 34% | 107.7 |
| <i>Constant currency growth</i> | <i>24%</i> | <i>18%</i> | <i>36%</i> | <i>3.p.p.</i> | <i>18%</i> |

¹Operating costs excluding adjusting items.

4. **Taxation**

The Group's effective income tax rate (ETR) for the reporting period is 20.6% which exceeds the statutory UK income tax rate of 19.0%. The major components impacting the income tax expense are higher tax rates in certain overseas jurisdictions where the Group operates, specifically the United States and India (increasing the Group's ETR), expenses that are non-deductible for tax purposes (increase to ETR) and the remeasurement of deferred tax assets to 25.0% to recognise the change in UK tax rate from 1 April 2023 (decrease to ETR).

Key factors that may impact the Group's future tax charge as a percentage of underlying profits are the mix of profits and losses between the jurisdictions in which the Group operates and the corresponding tax rates in those territories, the impact of non-deductible expenditure and non-taxable income and the utilisation (with a corresponding reduction in cash tax payments) of previously unrecognised deferred tax assets.

Reconciliation of statutory income tax charge to adjusted income tax charge is presented below:

| <i>£m</i> | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|--------------------------------|--------------------------------|
| Statutory income tax charge | 7.9 | 7.7 |
| Amortisation of acquired intangible assets | 1.8 | 0.9 |
| Share-based payments charge | 0.8 | 1.5 |
| Costs relating to share-based payment schemes | 0.2 | - |
| Restructuring and refinancing costs | 0.4 | 0.1 |
| Unrealised operating foreign exchange loss/(gain) | 0.5 | (0.2) |
| Corporate tax rate change | 1.3 | (0.6) |
| Movement in unrecognised deferred tax | (0.3) | 0.6 |
| Adjusted income tax charge | 12.6 | 10.0 |

5. Earnings per share

Basic EPS was 27.1 pence per share (2021: 21.9 pence per share). Fully diluted profit per share was 26.2 pence per share (2021: 20.2 pence per share).

Adjusted earnings per share grew from 36.2 pence per share to 43.3 pence per share, representing 20% growth.

6. Dividends

We are pleased to propose a final dividend of 18.3 pence per share (2021: 13.2 pence), to be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be on 30 March 2023. The proposed final dividend increases the total dividend for the year to 26.0 pence per share (2021: 19.3 pence), an increase of 35%.

7. Cash generation

Cash generated from operations grew by 41% to £85.4m (2021: £60.5m), representing 99% of Adjusted EBITDA (2021: 94%). We would normally expect operating cash flow to be in excess of 100% of Adjusted EBITDA and if we add back one-off cash costs in the year (restructuring, refinancing and M&A), cash flow conversion is 103%.

Capital expenditure was £2.7m in 2022 (2021: £1.3m), including £1.7m on software (2021: £0.5m). Capital expenditure represented 1.1% of revenue (2021: 0.7%).

Total cash flows from operating activities was £61.9m (growth of £9.9m from 2021), which represented 111% of operating profit (2021: 136%), with an increase in interest paid of £10.6m to £14.0m being the main reason for the lower conversion rate. During the year, the Group paid out £23.6m in dividends (2021: £20.4m).

Short- and long-term borrowings increased by £83.4m to £283.6m as at 31 December 2022 (2021: £200.2m). The debt drawn was focused on two main areas of expenditure:

- **M&A** – The Group purchased MBI and TS Lombard during 2022 for a combined cash consideration of £32.9m. In addition, £0.7m was paid in relation to the target working capital adjustment for LMC, which completed in 2021. The cash costs of acquisitions are set out on page 39.
- **Purchase of shares through Employee Benefit Trust** – The Group purchased 5.3m shares for its employee LTIP for net consideration of £66.6m. The Employee Benefit Trust held 5.6m shares as at 31 December 2022, to satisfy options in issue of 7.1m.

8. Net bank debt:

Net bank debt increased to £249.6m as at 31 December 2022 (2021: £177.6m). The increase principally reflects strong operating cash flows, offset by M&A activity of £33.6m, contributions to the Employee Benefit Trust to buy back shares of £66.6m, dividends of £23.6m and capital expenditure of £2.7m.

The Group defines Net bank debt as short- and long-term borrowings (note 8) less cash and cash equivalents. The amount excludes items related to leases.

| £m | 2022 | 2021 |
|--|--------------|--------------|
| Short- and long-term borrowings (note 8) | 283.6 | 200.2 |
| Cash | (34.0) | (22.6) |
| Net bank debt | 249.6 | 177.6 |

9. Invoiced Forward Revenue

Invoiced Forward Revenue grew by 24% to £133.5m from the 31 December 2021 balance of £107.7m, reflecting good momentum on sales orders during 2022 (underlying growth of 12%) and the impact of acquisitions. Invoiced Forward Revenue is a major component of our significant revenue visibility for the forthcoming year.

| £m | 2022 | 2021 |
|---|--------------|--------------|
| Deferred revenue | 104.0 | 81.4 |
| Amounts not due/subscription not started at 31 December | 29.5 | 26.3 |
| Invoiced Forward Revenue | 133.5 | 107.7 |

10. Intangible assets

Intangible assets have increased by £32.4m during the year, from £347.7m as at 31 December 2021, to £380.1m as at 31 December 2022. The majority of the increase relates to the two acquisitions made during the year of MBI and TS Lombard in which the Group recognised goodwill and intangible assets on acquisition of £24.9m and £15.1m respectively. Offsetting against these increases was an amortisation charge for the year of £10.1m (2021: £6.5m), which represented an increase of 55% reflecting the acquisitions made over the past 15 months.

11. Trade receivables

Net trade receivables as at 31 December 2022 were £54.4m, representing 29% growth compared with the 31 December 2021 balance of £42.3m, the impact of the acquired companies and sales growth mainly driving the increase.

Financial Risk Management

The Group's primary objective in managing foreign currency risk is to protect against the risk that the eventual Sterling net cash flows will be affected by changes in foreign currency exchange rates. To do this, the Group enters into foreign exchange contracts that limit the risk from movements in US Dollar and Euro exchange rates with Sterling. Due to the Group's operations in India, the Group also enters into foreign exchange contracts that limit the risk from movements in US Dollars with the Indian Rupee exchange rate. While commercially and from a cash flow perspective this hedges the Group's currency exposures, the Group elects not to apply hedge accounting and accordingly any movements in the fair value of the foreign exchange contracts are recognised in the income statement.

As a data and analytics company, we are not currently impacted by cross-border tariffs and we do not currently expect the renegotiation of tariffs to materially impact our business. Furthermore, the company is continuing to monitor the Inclusive Framework Project established by the OECD, including Pillar One (determining where tax should be paid and on what basis) and Pillar Two (the design of a system that ensures multinational enterprises pay a minimum level of tax), which is expected to move into an implementation phase during 2023. However, the application thresholds will be aimed at the very largest companies, and therefore the rules are unlikely to impact the Group.

Interest Rate Risk

Interest rate risk is the impact that fluctuations in market interest rates can have on the value of the Group's interest-bearing assets and liabilities and on the interest charge recognised in the income statement. On 21 October 2022, GlobalData Plc (the parent company) entered into an interest rate swap arrangement, to fix the floating element of the interest rate (based upon SONIA) to a fixed rate of 4.9125%. The Group has applied hedge accounting in accordance with

IFRS9 (Financial Instruments); as such any gains or losses on the interest rate swap, to the extent that they are effective, are recognised directly within other comprehensive income of both the Group and the parent company.

Liquidity Risk and Going Concern

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due, with surplus facilities to cope with any unexpected variances in timing of cash flows. The Group meets its day-to-day working capital requirements through free cash flow, being operations generated cash (with no external financing required). Although the statement of financial position shows net current liabilities (current assets less current liabilities), included in current liabilities is £104.0m of deferred revenue that represents future income earnings. Excluding deferred revenue, the Group has net current assets of £56.4m (2021: £27.8m).

Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments. The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis. The Directors have prepared a Going Concern and Long-Term Viability statement within the Group's Annual Report and Accounts for the year ended 31 December 2022 (page 32).

Consolidated Income Statement

| | Notes | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|-------|--------------------------------|--------------------------------|
| Continuing operations | | £m | £m |
| Revenue | 3 | 243.2 | 189.3 |
| Operating expenses | 4 | (186.6) | (150.8) |
| Losses on trade receivables | | (0.7) | (1.2) |
| Other income | | 0.1 | 0.9 |
| Operating profit | | 56.0 | 38.2 |
| Net finance costs | | (17.6) | (5.6) |
| Profit before tax | | 38.4 | 32.6 |
| Income tax expense | | (7.9) | (7.7) |
| Profit for the year | | 30.5 | 24.9 |
| Attributable to: | | | |
| Equity holders of the parent | | 30.5 | 24.9 |
| Earnings per share attributable to equity holders: | | | |
| Basic earnings per share (pence) | 6 | 27.1 | 21.9 |
| Diluted earnings per share (pence) | 6 | 26.2 | 20.2 |

| <i>Reconciliation to Adjusted EBITDA¹:</i> | | | |
|---|---|-------------|-------------|
| Operating profit | | 56.0 | 38.2 |
| Depreciation | | 6.4 | 6.8 |
| Amortisation of software | | 1.0 | 0.9 |
| Adjusting items | 5 | 23.0 | 18.5 |
| Adjusted EBITDA¹ | | 86.4 | 64.4 |

¹ We define Adjusted EBITDA as EBITDA adjusted to exclude costs associated with acquisitions, restructuring of the Group, share-based payments, impairment, unrealised operating exchange rate movements and the impact of foreign exchange contracts. We present Adjusted EBITDA as additional information because it is used internally as a key indicator to assess financial performance. However, other companies may present Adjusted EBITDA differently. EBITDA and Adjusted EBITDA are not measures of financial performance under IFRS and should not be considered as an alternative to operating profit or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with IFRS. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Consolidated Statement of Comprehensive Income

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Profit for the year | 30.5 | 24.9 |
| Other comprehensive income | | |
| <i>Items that will be classified subsequently to profit or loss when specific conditions are met:</i> | | |
| Cash flow hedge – effective portion of changes in fair value | (3.9) | - |
| Net exchange loss on translation of foreign entities | (0.4) | (0.5) |
| Other comprehensive loss, net of tax | (4.3) | (0.5) |
| Total comprehensive income for the year | 26.2 | 24.4 |
| Attributable to: | | |
| Equity holders of the parent | 26.2 | 24.4 |

Consolidated Statement of Financial Position

| | Notes | 31 December 2022 £m | 31 December 2021 £m |
|--|-------|------------------------|------------------------|
| Non-current assets | | | |
| Property, plant and equipment | | 31.0 | 35.3 |
| Intangible assets | 7 | 380.1 | 347.7 |
| Net investment in sub lease | | - | 0.1 |
| Deferred tax assets | | 2.3 | 2.1 |
| | | 413.4 | 385.2 |
| Current assets | | | |
| Trade and other receivables | | 62.7 | 51.2 |
| Current tax receivable | | 0.6 | - |
| Short-term derivative assets | | 0.9 | 0.6 |
| Cash and cash equivalents | | 34.0 | 22.6 |
| | | 98.2 | 74.4 |
| Total assets | | 511.6 | 459.6 |
| Current liabilities | | | |
| Trade and other payables | | (137.3) | (114.3) |
| Short-term borrowings | 8 | - | (5.0) |
| Short-term lease liabilities | 8 | (5.4) | (4.1) |
| Current tax payable | | (1.7) | (4.2) |
| Short-term derivative liabilities | | (1.3) | (0.3) |
| Short-term provisions | | (0.1) | (0.1) |
| | | (145.8) | (128.0) |
| Net current liabilities | | (47.6) | (53.6) |
| Non-current liabilities | | | |
| Long-term provisions | | (1.3) | (0.7) |
| Deferred tax liabilities | | (4.1) | - |
| Long-term derivative liabilities | | (3.9) | (0.1) |
| Long-term lease liabilities | 8 | (24.6) | (29.3) |
| Long-term borrowings | 8 | (283.6) | (195.2) |
| | | (317.5) | (225.3) |
| Total liabilities | | (463.3) | (353.3) |
| Net assets | | 48.3 | 106.3 |
| Equity | | | |
| Share capital | 9 | 0.2 | 0.2 |
| Treasury reserve | 9 | (70.8) | (66.6) |
| Other reserve | 9 | (44.3) | (44.3) |
| Cash flow hedge reserve | 9 | (3.9) | - |
| Foreign currency translation reserve | 9 | (0.7) | (0.3) |
| Retained profit | | 167.8 | 217.3 |
| Equity attributable to equity holders of the parent | | 48.3 | 106.3 |

Consolidated Statement of Changes in Equity

| | Notes | Share capital £m | Share premium account £m | Treasury reserve £m | Other reserve £m | Merger reserve £m | Foreign currency translation reserve £m | Cash flow hedge reserve £m | Retained profit £m | Equity attributable to equity holders of the parent £m |
|--|-------|---------------------|--------------------------------|------------------------|---------------------|----------------------|---|----------------------------------|-----------------------|---|
| Balance at 1 January 2021 | | 0.2 | 0.7 | (21.4) | (37.1) | 163.8 | 0.2 | - | 31.3 | 137.7 |
| Profit for the year | | - | - | - | - | - | - | - | 24.9 | 24.9 |
| Other comprehensive income: | | | | | | | | | | |
| Net exchange loss on translation of foreign entities | | - | - | - | - | - | (0.5) | - | - | (0.5) |
| Total comprehensive income for the year | | - | - | - | - | - | (0.5) | - | 24.9 | 24.4 |
| Transactions with owners: | | | | | | | | | | |
| Share buy-back | 9 | - | - | (46.5) | - | - | - | - | - | (46.5) |
| Dividends | 9 | - | - | - | - | - | - | - | (20.4) | (20.4) |
| Vesting of share options | 10 | - | - | 1.3 | - | - | - | - | (1.3) | - |
| Bonus issue of shares | | 171.0 | - | - | (7.2) | (163.8) | - | - | - | - |
| Capital reduction | | (171.0) | (0.7) | - | - | - | - | - | 171.7 | - |
| Share-based payments charge | 10 | - | - | - | - | - | - | - | 9.2 | 9.2 |
| Tax on share-based payments | | - | - | - | - | - | - | - | 1.9 | 1.9 |
| Balance at 31 December 2021 | | 0.2 | - | (66.6) | (44.3) | - | (0.3) | - | 217.3 | 106.3 |
| Profit for the year | | - | - | - | - | - | - | - | 30.5 | 30.5 |
| Other comprehensive income: | | | | | | | | | | |
| Cash flow hedge – effective portion of changes in fair value | | - | - | - | - | - | - | (3.9) | - | (3.9) |
| Net exchange loss on translation of foreign entities | | - | - | - | - | - | (0.4) | - | - | (0.4) |
| Total comprehensive income for the year | | - | - | - | - | - | (0.4) | (3.9) | 30.5 | 26.2 |
| Transactions with owners: | | | | | | | | | | |
| Share buy-back | 9 | - | - | (66.6) | - | - | - | - | - | (66.6) |
| Dividends | 9 | - | - | - | - | - | - | - | (23.6) | (23.6) |
| Vesting of share options | 10 | - | - | 62.4 | - | - | - | - | (62.4) | - |
| Share-based payments charge | 10 | - | - | - | - | - | - | - | 4.1 | 4.1 |
| Tax on share-based payments | | - | - | - | - | - | - | - | 1.9 | 1.9 |
| Balance at 31 December 2022 | | 0.2 | - | (70.8) | (44.3) | - | (0.7) | (3.9) | 167.8 | 48.3 |

Consolidated Statement of Cash Flows

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|--|--------------------------------|--------------------------------|
| Continuing operations | | |
| Cash flows from operating activities | £m | £m |
| Profit for the year | 30.5 | 24.9 |
| Adjustments for: | | |
| Depreciation | 6.4 | 6.8 |
| Amortisation | 10.1 | 6.5 |
| Gain on disposal of property, plant and equipment | - | (0.2) |
| Impairment of goodwill | - | 0.4 |
| Net finance costs | 17.6 | 5.6 |
| Taxation recognised in profit or loss | 7.9 | 7.7 |
| Share-based payments charge | 4.1 | 9.2 |
| Increase in trade and other receivables | (9.2) | (3.2) |
| Increase in trade and other payables | 17.2 | 2.2 |
| Revaluation of short- and long-term derivatives | 0.6 | 0.9 |
| Increase/(decrease) in provisions | 0.2 | (0.3) |
| Cash generated from operations | 85.4 | 60.5 |
| Interest paid | (14.0) | (3.4) |
| Income taxes paid | (9.5) | (5.1) |
| Total cash flows from operating activities | 61.9 | 52.0 |
| Cash flows from investing activities | | |
| Acquisitions | (33.6) | (97.7) |
| Cash received from repayment of loans | 0.9 | 0.9 |
| Proceeds from disposal of property, plant and equipment | - | 0.6 |
| Purchase of property, plant and equipment | (1.0) | (0.8) |
| Purchase of intangible assets | (1.7) | (0.5) |
| Total cash flows used in investing activities | (35.4) | (97.5) |
| Cash flows from financing activities | | |
| Repayment of borrowings | (2.5) | (5.0) |
| Settlement of loan | (229.2) | - |
| Proceeds from borrowings | 321.0 | 129.0 |
| Loan refinancing fee | (8.0) | (0.4) |
| Acquisition of own shares | (66.6) | (46.5) |
| Principal elements of lease payments | (5.9) | (5.8) |
| Dividends paid | (23.6) | (20.4) |
| Total cash flows (used in)/from financing activities | (14.8) | 50.9 |
| Net increase in cash and cash equivalents | 11.7 | 5.4 |
| Cash and cash equivalents at beginning of year | 22.6 | 17.7 |
| Effects of currency translation on cash and cash equivalents | (0.3) | (0.5) |
| Cash and cash equivalents at end of year | 34.0 | 22.6 |

Notes to the Preliminary Results

1. General information

Nature of operations

The principal activity of GlobalData Plc and its subsidiaries (together ‘the Group’) is to provide business information in the form of high quality proprietary data, analytics and insights to clients in multiple sectors.

GlobalData Plc (‘the Company’) is a company incorporated in the United Kingdom (England & Wales) and listed on the Alternative Investment Market (AIM), therefore is publicly owned and limited by shares. The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Basis of preparation

The condensed financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which are measured at fair value. While the information included in the condensed financial statements has been prepared in accordance with United Kingdom adopted international accounting standards and in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB, this announcement does not itself contain sufficient information to comply with United Kingdom adopted International Accounting Standards. The condensed financial statements for the year ended 31 December 2022 have been prepared on a consistent basis with the financial accounting policies set out in the Accounting Policies section of GlobalData Plc’s Annual Report and Accounts for the year ended 31 December 2022. These condensed financial statements are presented in Pounds Sterling (£).

The financial information for the year ended 31 December 2022 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2022 will be delivered to the Registrar of Companies in due course. The independent auditors’ report on the full financial statements for the year ended 31 December 2022 was unqualified and did not contain an emphasis of matter paragraph or any statement under section 498 of the Companies Act 2006.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in detail below. Climate-related risks did not have a material impact on the financial statements.

Key sources of estimation uncertainty

Carrying value of goodwill and other intangibles

The carrying value of goodwill and other intangibles is assessed annually to ensure that there is no impairment of these assets. Performing this assessment requires management to estimate future cash flows to be generated by the related cash-generating unit (CGU), which entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows.

Management has undertaken sensitivity analysis, taking into consideration the impact of key impairment test assumptions arising from a range of possible future trading and economic scenarios on each CGU. The following individual scenarios would need to occur before impairment is triggered within the Group:

| Cash-generating unit | Revenue growth falls by* | Discount rate rises by* |
|---------------------------------|--------------------------|-------------------------|
| Data, Analytics and Insights | (17.0%) | 36.8% |
| LMC | (2.9%) | 2.0% |
| Media Business Insights (“MBI”) | (2.4%) | 3.7% |
| TS Lombard | (1.8%) | 2.1% |

*percentage points

No indication of impairment was noted from Management's review; there is headroom in each CGU. Management acknowledges the sensitivity of the revenue growth and discount rate assumptions applied to the LMC, MBI and TS Lombard CGUs; however, Management is comfortable with these assumptions and will continue to monitor performance regularly for any indicators of future impairment loss.

Management recognises that the 2% cost growth assumption is lower than the current rate of inflation, however the Group operates a focused approach to cost management, including mitigating the impact of inflation through advancements in technology and efficiency savings and has a strong track record of achieving this. Therefore, Management considers the assumption to be reasonable.

Critical accounting judgements

Identification of Cash-Generating Units

IAS36 'Impairment of Assets' requires that assets be carried on the statement of financial position at no more than their recoverable amount. An asset or cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows and is impaired when its carrying amount exceeds its recoverable amount. As at the date of the impairment review (30 September 2022), Management made the judgement that the Group had four CGUs, being Data, Analytics and Insights, LMC, MBI and TS Lombard. In previous years, the Group had identified MEED (a subsidiary based in the United Arab Emirates) as an individual CGU; however, during the course of 2022 and prior to the date of the impairment review, the MEED cash inflows were fully integrated into the Data, Analytics and Insights CGU. In making this judgement Management has determined that the assets acquired as part of the original acquisition of MEED are no longer generating cash flows that are separately identifiable. The cash flows, in addition to being generated by the acquired assets of MEED, are also now being generated from the assets acquired across many of the Group's historic acquisitions. Likewise, the Data, Analytics and Insights cash inflows are also now being generated in part by the MEED assets. Management therefore concluded that this level of consolidation and integration does not make it possible for MEED to meet the definition of a separately identifiable CGU as required by IAS36.

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. The Group has closing cash of £34.0m as at 31 December 2022 and net bank debt of £249.6m (31 December 2021: net bank debt of £177.6m), being cash and cash equivalents less short- and long-term borrowings, excluding lease liabilities. The Group has an outstanding term loan of £290.0m which is syndicated with 12 lenders. As at 31 December 2022, the Group had undrawn RCF of £120.0m which is syndicated with 13 lenders. The Group's banking facilities are in place until August 2025, at which point the Group will be required to renew or extend its financing arrangements. The Group has generated £85.4m in cash from operations during 2022. Based on cash flow projections the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The finance facilities were issued with debt covenants which are measured on a quarterly basis. There have been no breaches of covenants in the year ended 31 December 2022. Management has reviewed forecast cash flows and there is no indication that there will be any breach in the next 12 months.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue in operation and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements. The Directors have modelled a number of worst-case scenarios to consider their potential impact on the Group's results, cash flow and loan covenant forecast. Key assumptions built into the scenarios focus on revenue and cost growth. In addition to performing scenario planning, the Directors have also conducted stress testing of the Group's forecasts and, taking into account reasonable downside sensitivities (acknowledging that such risks and uncertainties exist), the Directors are satisfied that the business is expected to operate within its facilities. The plausible downside scenarios modelled were as follows: (i) revenue growth in 2023 being 10% lower than expectation (ii) cost growth in line with the current UK rate of inflation and (iii) both scenarios combined. There remains headroom on the covenants under each scenario and cash remained in excess of the 31 December 2022 balance of £34.0m in all months.

Through our normal business practices, we are in regular communication with our lenders and are satisfied they will be in a position to continue supporting us for the foreseeable future.

The Directors therefore consider the strong balance sheet, with good cash reserves and working capital along with financing arrangements, provide ample liquidity. Accordingly, the Directors have prepared the financial statements on a going concern basis.

2. Accounting policies

These condensed financial statements have been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2022 and is consistent with the policies applied in the previous year, except for the following new standards The new standards which are effective during the year (and have had a minimal impact on the financial statements) are:

- Amendments to IAS16: Property, Plant and Equipment (effective for periods beginning on or after 1 January 2022);
- Amendments to IAS37: Provisions, Contingent Liabilities and Contingent Assets (effective for periods beginning on or after 1 January 2022); and
- Amendments to IFRS3: Business Combinations (effective for periods beginning on or after 1 January 2022).

Presentation of non-statutory alternative performance measures

The Directors believe that Adjusted EBITDA, Adjusted EBITDA margin, Adjusted profit before tax, Adjusted profit after tax and Adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and we review the results of the Group using these measures internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measures of profit.

Adjustments are made in respect of:

| | |
|---|---|
| Share-based payments and associated costs | Share-based payment expenses are excluded from Adjusted EBITDA as they are a non-cash charge, the awards are equity-settled and the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group. |
| Restructuring, M&A (including contingent consideration) and refinancing costs | The Group excludes these costs from Adjusted EBITDA where the nature of the item, or its size, is not related to the core underlying trading of the Group. This is to assist the user of the financial statements to better understand the results of the core operations of the Group and allow comparability of underlying results. |
| Amortisation and impairment of acquired intangible assets | The amortisation charge for those intangible assets recognised on business combinations is excluded from Adjusted EBITDA since they are non-cash charges arising from historical investment activities. Any impairment charges recognised in relation to these intangible assets are also excluded from Adjusted EBITDA. This is a common adjustment made by acquisitive information service businesses and is therefore consistent with peers. |
| Revaluation of short- and long-term derivatives | Gains and losses are recognised within Adjusted EBITDA when they are realised in cash terms and therefore we exclude non-cash movements arising from fluctuations in exchange rate as these may not reflect the underlying performance of the Group, which better aligns Adjusted EBITDA with the cash performance of the business. |
| Unrealised operating foreign exchange gain/loss | |

3. Segmental analysis

The principal activity of GlobalData Plc and its subsidiaries (together ‘the Group’) is to provide business information in the form of high quality proprietary data, analytics and insights to clients in multiple sectors.

IFRS8 “Operating Segments” requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Chief Executive as its chief operating decision maker.

The Group maintains a centralised operating model and single product platform (One Platform), which is underpinned by a common taxonomy, shared development resource, and new data science technologies. The fundamental principle of the GlobalData business model is to provide our clients with subscription access to our proprietary data, analytics, and insights platform, with the offering of ancillary services such as consulting, single copy reports and events. The vast majority of data sold by the Group is produced by a central research team which produces data for the Group as a whole. The central research team reports to one central individual, the Managing Director of the India operation, who reports to the Group Chief Executive. ‘Data, Analytics and Insights’ is therefore considered to be the operating segment of the Group.

The Group profit or loss is reported to the Chief Executive on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items. The Chief Executive also monitors revenue within the operating segment.

The Group considers the use of a single operating segment to be appropriate due to:

- The Chief Executive reviewing profit or loss at the Group level;
- Utilising a centralised operating model;
- Being an integrated solutions based business, rather than a portfolio business; and
- The M&A strategy of the Group being to fully integrate within the One Platform.

A reconciliation of Adjusted EBITDA to profit before tax from continuing operations is set out below:

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Adjusted EBITDA | 86.4 | 64.4 |
| Restructuring costs | (0.6) | (1.2) |
| M&A costs | (2.9) | (2.4) |
| Contingent consideration | (1.0) | - |
| Refinancing costs | (1.9) | (0.2) |
| Share-based payment charge | (4.1) | (9.2) |
| Costs relating to share-based payment schemes | (0.9) | - |
| Revaluation loss on short and long-term derivatives | (0.6) | (0.9) |
| Unrealised operating foreign exchange (losses)/gains | (1.9) | 1.0 |
| Amortisation of acquired intangibles | (9.1) | (5.6) |
| Depreciation | (6.4) | (6.8) |
| Amortisation (excluding amortisation of acquired intangible assets) | (1.0) | (0.9) |
| Finance costs | (17.6) | (5.6) |
| Profit before tax | 38.4 | 32.6 |

The Group generates revenue from services provided over a period of time such as recurring subscriptions and other services which are deliverable at a point in time such as reports, events and custom research.

Subscription income for online services, data and analytics (typically 12 months) is normally invoiced at the beginning of the services and is therefore recognised as a contract liability, “deferred revenue”, in the statement of financial position. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.

The revenue on services delivered at a point in time is recognised when our contractual obligation is satisfied, such as delivery of a static report or delivery of an event. The obligation on these types of contracts is a discrete obligation, which once met satisfies the Group performance obligation under the terms of the contract.

Any invoiced contracted amounts which are still subject to performance obligations and where the payment has been received or is contractually due are recognised within deferred revenue at the statement of financial position date. Typically, the Group receives settlement of cash at the start of each contract and standard terms are zero days. Similarly, if the Group satisfies a performance obligation before it receives the consideration or is contractually due the Group recognises a contract asset within accrued income in the statement of financial position.

| | Revenue recognised in the Consolidated Income Statement | | Deferred Revenue recognised within the Consolidated Statement of Financial Position | |
|------------------------------|--|--------------------------------|---|---------------------------|
| | Year ended 31 December 2022 | Year ended 31 December 2021 | As at 31 December 2022 | As at 31 December 2021 |
| | £m | £m | £m | £m |
| Services transferred: | | | | |
| Over a period of time | 196.5 | 156.9 | 91.6 | 73.1 |
| At a point in time | 46.7 | 32.4 | 12.4 | 8.3 |
| Total | 243.2 | 189.3 | 104.0 | 81.4 |

As subscriptions are typically for periods of 12 months the majority of deferred revenue held at 31 December will be recognised in the income statement in the following year. As at 31 December 2022, £1.1m (2021: £0.4m) of the deferred revenue balance will be recognised beyond the next 12 months. In the year ended 31 December 2022 the Group recognised revenue of £81.0m (2021: £74.1m) that was included in the deferred revenue balance at the beginning of the period.

As at 31 December 2022, the total non-cancellable obligations within deferred revenue to fulfil revenue amounted to £104.0m (2021: £81.4m). As at the same date, the total non-cancellable obligations within Invoiced Forward Revenue to fulfil revenue amounted to £133.5m (2021: £107.7m).

In instances where the Group enters into transactions involving a range of the Group's services, for example a subscription and custom research, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Geographical analysis

Our primary geographical markets are serviced by our global sales teams which are organised as Europe, US and Asia Pacific by virtue of the team location. The below disaggregated revenue is derived from the geographical location of our customers rather than the team structure the Group is organised by.

From continuing operations

| Year ended 31 December 2022 | UK | Europe | Americas¹ | Asia Pacific | MENA² | Rest of World | Total |
|------------------------------------|-----------|---------------|-----------------------------|---------------------|-------------------------|----------------------|--------------|
| | £m | £m | £m | £m | £m | £m | £m |
| Revenue from external customers | 36.0 | 64.7 | 91.4 | 27.2 | 16.6 | 7.3 | 243.2 |

| Year ended 31 December 2021 | UK | Europe | Americas¹ | Asia Pacific | MENA² | Rest of World | Total |
|------------------------------------|-----------|---------------|-----------------------------|---------------------|-------------------------|----------------------|--------------|
| | £m | £m | £m | £m | £m | £m | £m |
| Revenue from external customers | 27.8 | 51.8 | 67.8 | 21.0 | 13.9 | 7.0 | 189.3 |

1. Americas includes revenue from the United States of America of £86.7m (2021: £65.7m)

2. Middle East & North Africa

Intangible assets held in the US and Canada were £33.4m (2021: £34.3m), of which £29.1m related to goodwill (2021: £29.1m). Intangible assets held in the UAE were £12.8m (2021: £13.6m) of which £11.4m related to goodwill (2021: £11.4m). All other non-current assets are held in the UK. The largest customer represented less than 2% of the Group's consolidated revenue.

4. Operating profit

Operating profit is stated after the following expenses relating to continuing operations:

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|---------------------------------|--|--|
| | £m | £m |
| Cost of sales | 125.7 | 101.8 |
| Administrative costs | 60.9 | 49.0 |
| | 186.6 | 150.8 |
| Losses on trade receivables | 0.7 | 1.2 |
| Total operating expenses | 187.3 | 152.0 |

5. Adjusting items

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Amortisation of acquired intangibles | 9.1 | 5.6 |
| Share-based payment charge | 4.1 | 9.2 |
| M&A costs | 2.9 | 2.4 |
| Refinancing costs | 1.9 | 0.2 |
| Unrealised operating foreign exchange loss/(gain) | 1.9 | (1.0) |
| Contingent consideration | 1.0 | - |
| Costs relating to share-based payments scheme | 0.9 | - |
| Restructuring costs | 0.6 | 1.2 |
| Revaluation loss on short- and long-term derivatives | 0.6 | 0.9 |
| Total adjusting items | 23.0 | 18.5 |

The adjustments made are as follows:

- The share-based payments charge is in relation to the share-based compensation plans (detailed in note 10) under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the income statement. The total amount to be expensed is determined by reference to the fair value of the options granted. The original fair value on grant date is charged to the income statement based upon the Monte-Carlo method. Following modification on 30 November 2022, an additional charge for the beneficial modification was determined by the Black-Scholes method (more detail is contained within note 10).
- The M&A costs consist of professional fees incurred in both performing due diligence relating to potential acquisition targets and performing completion activities in relation to acquisitions made during the year, in addition to redundancy costs in relation to group integration projects.
- Refinancing costs consist of legal fees incurred in relation to (i) the extension of the previously held term loan and RCF by one year (completed during June 2022) and (ii) the arrangement of the new loan facility which was drawn down upon during August 2022.
- Unrealised operating foreign exchange losses and gains relate to non-cash exchange losses and gains made on operating items.
- The contingent consideration amounts relate to payments due to the previous owners of MBI and TS Lombard between 2023 and 2025. These have been treated as remuneration costs due to their being contingent upon the former owners remaining as employees of the Group at the time of payment.
- Costs relating to share-based payments scheme consist of employer taxes borne as a result of the vesting of the final tranche of Scheme 1 during the year, and professional fees incurred in advice obtained relating to the restructure of existing schemes.
- Restructuring relates to professional fees incurred in relation to group reorganisation projects.
- The revaluation of short- and long-term derivatives relates to movement in the fair value of the short- and long-term derivatives.

6. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders of the parent company divided by the weighted average number of shares in issue during the period. The Group also has a share options scheme in place and therefore the Group has calculated the dilutive effect of these options.

| | Year ended 31 December 2022 | Year ended 31 December 2021 |
|--|--------------------------------|--------------------------------|
| Earnings per share attributable to equity holders from continuing operations: | | |
| Basic | | |
| Profit for the period attributable to ordinary shareholders of the parent company (£m) | 30.5 | 24.9 |
| Weighted average number of shares (no' m) | 112.7 | 113.5 |
| Basic earnings per share (pence) | 27.1 | 21.9 |
| Diluted | | |
| Profit for the period attributable to ordinary shareholders of the parent company (£m) | 30.5 | 24.9 |
| Weighted average number of shares (no' m) | 116.6 | 123.0 |
| Diluted earnings per share (pence) | 26.2 | 20.2 |

Reconciliation of basic weighted average number of shares to the diluted weighted average number of shares:

| | Year ended 31 December 2022 No' m | Year ended 31 December 2021 No' m |
|---|---|---|
| Basic weighted average number of shares, net of shares held in treasury reserve | 112.7 | 113.5 |
| Share options in issue at end of period, net of shares not paid up | 3.9 | 9.5 |
| Diluted weighted average number of shares | 116.6 | 123.0 |

7. Intangible assets

| | Software | Customer relationships | Brands | IP rights and database | Goodwill | Total |
|----------------------------------|---------------|------------------------|---------------|------------------------|---------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Cost | | | | | | |
| As at 1 January 2021 | 12.2 | 44.0 | 16.1 | 50.2 | 227.7 | 350.2 |
| Additions: Business combinations | 0.7 | 11.8 | 0.1 | 25.2 | 75.4 | 113.2 |
| Additions: Separately acquired | 0.4 | - | - | 0.1 | - | 0.5 |
| Reclassification to PPE | (0.5) | - | - | - | - | (0.5) |
| Fair value adjustment | - | - | - | - | (0.4) | (0.4) |
| As at 31 December 2021 | 12.8 | 55.8 | 16.2 | 75.5 | 302.7 | 463.0 |
| Additions: Business combinations | 0.9 | 9.5 | 10.0 | 2.4 | 19.2 | 42.0 |
| Additions: Separately acquired | 1.7 | - | - | - | - | 1.7 |
| Fair value adjustment | - | - | - | - | 0.1 | 0.1 |
| As at 31 December 2022 | 15.4 | 65.3 | 26.2 | 77.9 | 322.0 | 506.8 |
| Amortisation | | | | | | |
| As at 1 January 2021 | (9.9) | (28.8) | (10.7) | (48.3) | (10.5) | (108.2) |
| Additions: Business combinations | (0.5) | - | - | - | - | (0.5) |
| Impairment | - | - | - | - | (0.4) | (0.4) |
| Charge for the year | (0.9) | (3.8) | (0.6) | (1.2) | - | (6.5) |
| Reclassification to PPE | 0.3 | - | - | - | - | 0.3 |
| As at 31 December 2021 | (11.0) | (32.6) | (11.3) | (49.5) | (10.9) | (115.3) |
| Additions: Business combinations | (0.8) | - | - | (0.5) | - | (1.3) |
| Charge for the year | (1.1) | (5.2) | (0.9) | (2.9) | - | (10.1) |
| As at 31 December 2022 | (12.9) | (37.8) | (12.2) | (52.9) | (10.9) | (126.7) |
| Net book value | | | | | | |
| As at 31 December 2022 | 2.5 | 27.5 | 14.0 | 25.0 | 311.1 | 380.1 |
| As at 31 December 2021 | 1.8 | 23.2 | 4.9 | 26.0 | 291.8 | 347.7 |

Additions as a result of business combinations in the year have been disclosed in further detail in note 11.

8. Borrowings

| | 31 December 2022 £m | 31 December 2021 £m |
|--------------------------------|---------------------------|---------------------------|
| Short-term lease liabilities | 5.4 | 4.1 |
| Short-term borrowings | - | 5.0 |
| Current liabilities | 5.4 | 9.1 |
| Long-term lease liabilities | 24.6 | 29.3 |
| Long-term borrowings | 283.6 | 195.2 |
| Non-current liabilities | 308.2 | 224.5 |

The changes in the Group's borrowings can be classified as follows:

| | Short-term borrowings £m | Long-term borrowings £m | Short-term lease liabilities ¹ £m | Long-term lease liabilities ¹ £m | Total £m |
|----------------------------------|--------------------------------|-------------------------------|---|--|--------------|
| As at 1 January 2021 | 5.0 | 70.8 | 4.1 | 35.8 | 115.7 |
| Cash flows: | | | | | |
| - Repayment | (5.0) | - | (5.8) | - | (10.8) |
| - Proceeds | - | 129.0 | - | - | 129.0 |
| - Loan fees paid | - | (0.4) | - | - | (0.4) |
| Non-cash: | | | | | |
| - Interest expense | - | 0.8 | - | - | 0.8 |
| - Lease additions | - | - | 2.4 | - | 2.4 |
| - Lease liabilities ² | - | - | 0.6 | (3.7) | (3.1) |
| - Reclassification | 5.0 | (5.0) | 2.8 | (2.8) | - |
| As at 31 December 2021 | 5.0 | 195.2 | 4.1 | 29.3 | 233.6 |
| Cash flows: | | | | | |
| - Repayment | (2.5) | - | (5.9) | - | (8.4) |
| - Proceeds | - | 321.0 | - | - | 321.0 |
| - Loan fees paid | - | (8.0) | - | - | (8.0) |
| - Settlement of loan | - | (229.2) | - | - | (229.2) |
| Non-cash: | | | | | |
| - Interest expense | - | 2.1 | - | - | 2.1 |
| - Lease additions | - | - | 0.6 | - | 0.6 |
| - Lease liabilities ² | - | - | 1.5 | 0.4 | 1.9 |
| - Reclassification | (2.5) | 2.5 | 5.1 | (5.1) | - |
| As at 31 December 2022 | - | 283.6 | 5.4 | 24.6 | 313.6 |

Term loan and RCF

On 5 August 2022, the Group successfully completed a refinancing of external debt facilities. This resulted in settlement of the previously drawn-down position of £229.2m and draw down on the new term loan facility of £290.0m on 9 August 2022, increasing cash reserves of the Group. The settlement of the previously held loan qualified as a substantial modification and therefore, in accordance with IFRS9, the previous loan was derecognised from the statement of financial position resulting in a credit to the income statement of £2.8m.

The new facilities have been arranged to cover a period of three years. There are no fixed periodic capital repayments, with the full balance being due for settlement when the facilities expire in August 2025. If the Group needs further debt funding in order to support M&A activity, the new facility includes a £120.0m revolving credit facility (RCF). The term loan is syndicated between 12 lenders and the RCF is syndicated between 13 lenders.

As at 31 December 2022, the Group had fully drawn down the term loan of £290.0m. The Group is yet to draw down the available RCF facility of £120.0m. Due to offsetting of loan fees paid as part of the refinancing process, the term loan is held on the statement of financial position with a value of £283.6m.

Interest is currently charged on the term loan at a rate of 3.25% over the Sterling Overnight Index Average rate (SONIA) and is payable at the end of each calendar quarter. The Group entered into an interest rate swap during October 2022, with an effective date of 30 September 2022 based on a notional amount of £290.0m, which aligns to the current term loan draw down. The agreement is to swap, on a calendar quarter basis, SONIA for a fixed rate of 4.9125%.

9. Equity

Share capital

Authorised, allotted, called up and fully paid:

| | 31 December 2022 | | 31 December 2021 | |
|---|------------------|------------|------------------|------------|
| | No'000 | £000s | No'000 | £000s |
| Ordinary shares (1/14 th pence) | 118,303 | 84 | 118,303 | 84 |
| Deferred shares of £1.00 each | 100 | 100 | 100 | 100 |
| Total authorised, allotted, called up and fully paid | 118,403 | 184 | 118,403 | 184 |

Share Purchases

During the year the Group's Employee Benefit Trust purchased an aggregate amount of 5,274,462 shares (representing 4.5% of the total share capital), each with a nominal value of 1/14th pence, at a total market value of £66.6m. The purchased shares will be held for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

During the year, a total of 4,503,327 shares (representing 3.8% of the total share capital), each with a nominal value of 1/14th pence, which were held by the Group's Employee Benefit Trust were utilised as a result of the vesting of the final tranche of Scheme 1 share options (at a total market value of £57.0m), as disclosed in note 10.

The maximum number of shares (each with a nominal value of 1/14th pence) held by the Employee Benefit Trust (at any time during the year ended 31 December 2022) was 6,068,381 (representing 5.1% of the total share capital).

The purchase of shares by the trust is to limit the eventual dilution to existing shareholders. As at 31 December 2022, based upon the restructured vesting schedules (see note 10), no dilution is forecast until 2027.

| Vesting Schedule | 2023 No. | 2024 No. | 2025 No. | 2026 No. | 2027 No. | Total No. |
|----------------------|----------------|------------------|------------------|------------------|------------------|--------------------|
| Scheme 1* | 997,227 | 997,226 | - | - | - | 1,994,453 |
| Scheme 2 | - | 840,000 | 840,000 | 840,000 | 840,000 | 3,360,000 |
| Scheme 4 | - | - | 171,600 | 343,200 | 1,201,200 | 1,716,000 |
| Total | 997,227 | 1,837,226 | 1,011,600 | 1,183,200 | 2,041,200 | 7,070,453 |
| Shares held in trust | (997,227) | (1,837,226) | (1,011,600) | (1,183,200) | (543,772) | (5,573,025) |
| Net dilution | - | - | - | - | 1,497,428 | 1,497,428 |

Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern; and
- To fund future growth and provide an adequate return to shareholders and, when appropriate, distribute dividends.

The capital structure of the Group consists of net bank debt, which includes borrowings (note 8) and cash and cash equivalents, and equity.

The Company has two classes of shares. The ordinary shares carry no right to fixed income and each share carries the right to one vote at general meetings of the Company.

The deferred shares do not confer upon the holders the right to receive any dividend, distribution or other participation in the profits of the Company. The deferred shares do not entitle the holders to receive notice of or to attend and speak or vote at any general meeting of the Company. On distribution of assets on liquidation or otherwise, the surplus assets of the Company remaining after payments of its liabilities shall be applied first in repaying to holders of the deferred shares the nominal amounts and any premiums paid up or credited as paid up on such shares, and second the balance of such assets shall belong to and be distributed among the holders of the ordinary shares in proportion to the nominal amounts paid up on the ordinary shares held by them respectively.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

Dividends

The final dividend for 2021 was 13.2 pence per share and was paid in April 2022. The total dividend for the current year is 26.0 pence per share, with an interim dividend of 7.7 pence per share paid on 7 October 2022 to shareholders on the register at the close of business on 9 September 2022, and a final dividend of 18.3 pence per share which will be paid on 28 April 2023 to shareholders on the register at the close of business on 31 March 2023. The ex-dividend date will be 30 March 2023.

Treasury reserve

The treasury reserve represents the cost of shares held in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

The disclosures above are for both the Group and the Company.

Foreign currency translation reserve

The foreign currency translation reserve contains the translation differences that arise upon translating the results of subsidiaries with a functional currency other than Sterling. Such exchange differences are recognised in the income statement in the period in which a foreign operation is disposed of.

Cash flow hedge reserve

The cash flow hedge reserve contains the fair valuation movements arising from revaluation of interest rate swaps. Changes in fair value of derivative financial instruments that are designated, and effective, cash flow hedges of forecast transactions are recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The cumulative amount recognised in other comprehensive income and accumulated in equity is reclassified into the consolidated income statement out of other comprehensive income in the same period when the hedged item is recognised in profit or loss.

10. Share based payments

Scheme 1 – fully vested and closed to new participants

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options subject to employment conditions and Adjusted EBITDA targets being met. For these options to be exercised the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed certain targets. The fair values of options granted were determined using the Black-Scholes model. The inputs used in the model were:

- share price at date of grant;
- exercise price;
- time to maturity;
- annual risk-free interest rate; and
- annualised volatility.

Each of the awards were subject to vesting criteria set by the Remuneration Committee. As disclosed in the 2021 annual report and accounts, the final vesting target of £52m Adjusted EBITDA (excluding the impact of IFRS16) was met in the financial year ending 31 December 2021 and therefore the final tranche of Scheme 1 options vested during 2022. Scheme 1 is now therefore closed.

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £nil (2021: £6.3m).

The Remuneration Committee approved the vesting of the final tranche of Scheme 1 on 11 August 2022. The awards of the scheme were settled with ordinary shares of the Company. Whilst the majority of participants chose to exercise their options (4.5m options), holders of the remaining 2.0m options chose to defer their exercise, as allowable under the scheme rules. As a result of the final tranche of options vesting during the year, £62.4m was transferred from the Group's treasury reserve to retained earnings of which £58.6m is distributable. The weighted average price of the exercised options at the date of exercise was £13.85 per share.

Reconciliation of movement in the number of options is provided below. No new grants were awarded during 2022.

| | Option exercise price (pence) | Remaining life (years) | Number of options |
|-------------------------|----------------------------------|---------------------------|-------------------|
| 31 December 2021 | 1/14th | 0.0 | 6,547,557 |
| Exercised | 1/14th | N/A | (4,503,327) |
| Forfeited | 1/14th | N/A | (49,777) |
| 31 December 2022 | 1/14th | 0.0 | 1,994,453 |

The options carried forward as at 31 December 2022 are both outstanding and exercisable. The maximum term of the remaining options outstanding is 10 years, ending in August 2033.

Schemes 2 and 4

During the year, the Remuneration Committee reviewed the structure of the targets for Schemes 2 and 4 against the original objectives of the scheme. As set out in detail within the Remuneration report on page 53 of the Group's Annual Report and Accounts for the year ended 31 December 2022, the Committee determined it appropriate to change the methodology of targets from a Total Shareholder Return (TSR) basis to an EBITDA basis.

In order to account for the restructure, management firstly calculated the fair value of each scheme based upon both the existing TSR targets and the proposed new EBITDA targets. The valuation date was determined as 30 November 2022, being the date the change was verbally communicated to option holders.

- TSR basis – The fair value of Schemes 2 and 4 were calculated as at 30 November 2022, based upon the remaining performance period and existing TSR targets. The fair values of each individual tranche were determined using the Monte Carlo method, using the inputs; valuation date and share price, vesting dates, expected term, risk free rate, dividend yield and volatility.

- EBITDA basis - The fair value of Schemes 2 and 4 were calculated as at 30 November 2022, based upon the remaining performance period and proposed EBITDA targets. The fair values of each individual tranche were determined using the Black-Scholes model, using the inputs; valuation date and share price, exercise price, vesting dates, risk free rate, and volatility.

Management then determined whether or not it considered the modification to be a beneficial modification. Whilst it concluded that the targets were calculated based upon a comparable compounded growth rate when compared to the original vesting targets, for accounting purposes it was deemed a beneficial modification based upon:

- The significant increase in the fair value of per share moving from market vesting to non-market vesting target criteria, as at 30 November 2022 when the changes were communicated to employees;
- The extension of the vesting period for Scheme 2 was partly offset by splitting the target into four vesting targets, one of which was brought forward from the original vesting period; and
- Scheme 2 option holders now have four opportunities to participate, compared with a single “hit or miss” target under the old basis for target.

As Management determined a beneficial modification, the delta of the fair values as at 30 November (being the difference in the fair values of each tranche using the two target models) has been charged to the income statement, spread over the remaining vesting period for each tranche, from valuation date of 30 November 2022, in accordance with IFRS2. In calculating this spreading of charge, management also applied a churn assumption, based upon historical employee churn data.

| Scheme/ Tranche | Fair value 30 November – TSR target basis (£ per grant) | Fair value 30 November – EBITDA target basis (£ per grant) |
|-----------------|---|--|
| Scheme 2 | | |
| Tranche 1 | 3.80 | 11.79 |
| Tranche 2 | 3.80 | 11.43 |
| Tranche 3 | 3.80 | 11.09 |
| Tranche 4 | 3.80 | 10.76 |
| Scheme 4 | | |
| Tranche 1 | 4.44 | 11.43 |
| Tranche 2 | 1.84 | 11.09 |
| Tranche 3 | 1.71 | 10.76 |

The below table summarises the detail of the targets under the old and new structures.

| | Scheme 2 (2019) | Scheme 4 (2021) |
|----------------------|---|---|
| Old basis for target | The award will vest if the compounded annual growth (CAGR) in the Group’s TSR performance over the five-year performance period (ending March 2025) is equal to or exceeds 16% per annum (100% vest). | The award will vest if the compounded annual growth (CAGR) in the Group’s TSR performance over the five-year performance period (measured in the February following year end) meets the below vesting criteria: <ul style="list-style-type: none"> - If TSR achieves 6% compounded over 2022-2024 (10% vest) - If TSR achieves 16% compounded over 2022-2025 (20% vest) - If TSR achieves 16% compounded over 2022-2026 (70% vest) |
| New basis for target | The awards will vest based upon the following proportions if Adjusted EBITDA targets are met, as measured in the year end results for the below years: <ul style="list-style-type: none"> - 2023 £100m Adj EBITDA (25% Vest) - 2024 £110m Adj EBITDA (25% Vest) - 2025 £125m Adj EBITDA (25% Vest) - 2026 £145m Adj EBITDA (25% Vest) | The awards will vest based upon the following proportions if Adjusted EBITDA targets are met, as measured in the year end results for the below years: <ul style="list-style-type: none"> - 2023 – Not Applicable - 2024 £110m Adj EBITDA (10% Vest) - 2025 £125m Adj EBITDA (20% Vest) - 2026 £145m Adj EBITDA (70% Vest) |

The change to Scheme 2 rules has resulted in the remaining life of the scheme being extended from March 2025 to March 2027.

Within both Schemes 2 and 4, each option granted converts to one ordinary share on exercise.

Scheme 2 - 2019 scheme

The following assumptions were used in the valuation under the old performance criteria:

| Award tranche | Grant date | Fair value of share price at grant date | Exercise price (pence) | Estimated forfeiture rate p.a. | Weighted average of remaining contractual life (years) |
|---------------|-------------------|---|------------------------|--------------------------------|--|
| Award 1 | 31 October 2019 | £2.02 | 0.0714p | 0% | 2.0 |
| Award 2 | 7 May 2020 | £4.62 | 0.0714p | 0% | 2.0 |
| Award 3 | 25 May 2020 | £5.50 | 0.0714p | 0% | 2.0 |
| Award 4 | 23 June 2020 | £6.12 | 0.0714p | 0% | 2.0 |
| Award 5 | 22 September 2020 | £6.35 | 0.0714p | 0% | 2.0 |
| Award 6 | 17 November 2020 | £7.12 | 0.0714p | 0% | 2.0 |
| Award 7 | 23 March 2021 | £5.15 | 0.0714p | 0% | 2.0 |

The following assumptions were used in the valuation under the new performance criteria and vesting periods:

| Award tranche | Award 1 | Award 2 | Award 3 | Award 5 | Award 7 |
|---|----------|----------|----------|----------|----------|
| Grant date | 31/10/19 | 07/05/20 | 25/05/20 | 22/09/20 | 23/03/21 |
| Group achieves £100m EBITDA by 31 March 2024 | 25% vest | 25% vest | 25% vest | 25% vest | 25% vest |
| Fair value at modification date | £11.79 | £11.79 | £11.79 | £11.79 | £11.79 |
| Risk-free interest rate | 3.169% | 3.169% | 3.169% | 3.169% | 3.169% |
| Estimated forfeiture rate | 9% | 9% | 9% | 9% | 9% |
| Remaining contractual life | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| Group achieves £110m EBITDA by 31 March 2025 | 25% vest | 25% vest | 25% vest | 25% vest | 25% vest |
| Fair value at modification date | £11.43 | £11.43 | £11.43 | £11.43 | £11.43 |
| Risk-free interest rate | 3.240% | 3.240% | 3.240% | 3.240% | 3.240% |
| Estimated forfeiture rate | 15% | 15% | 15% | 15% | 15% |
| Remaining contractual life | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 |
| Group achieves £125m EBITDA by 31 March 2026 | 25% vest | 25% vest | 25% vest | 25% vest | 25% vest |
| Fair value at modification date | £11.09 | £11.09 | £11.09 | £11.09 | £11.09 |
| Risk-free interest rate | 3.201% | 3.201% | 3.201% | 3.201% | 3.201% |
| Estimated forfeiture rate | 20% | 20% | 20% | 20% | 20% |
| Remaining contractual life | 3.25 | 3.25 | 3.25 | 3.25 | 3.25 |
| Group achieves £145m EBITDA by 31 March 2027 | 25% vest | 25% vest | 25% vest | 25% vest | 25% vest |
| Fair value at modification date | £10.76 | £10.76 | £10.76 | £10.76 | £10.76 |
| Risk-free interest rate | 3.241% | 3.241% | 3.241% | 3.241% | 3.241% |
| Estimated forfeiture rate | 25% | 25% | 25% | 25% | 25% |
| Remaining contractual life | 4.25 | 4.25 | 4.25 | 4.25 | 4.25 |

Awards 4 and 6 had been forfeited at the time of modification. For all options noted within the table above, the exercise price per option is 0.0714p (equivalent to 1/14th pence) and the expected dividend yield is 3.06%, which has been assumed to be paid throughout the performance period. The volatility used within the calculations was 26.87% which was determined by calculating the Group's observed historical volatility over a period equal to the time until the end of the assumed maturity date. The initial share price used in the calculations was £12.25.

The estimated forfeiture rate assumption is based upon management's expectation of the number of options that will lapse over the vesting period and are reviewed annually. Management believes the current assumptions to be reasonable.

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £3.3m (2021: £2.9m). The awards of the scheme will be settled with ordinary shares of the Company.

Reconciliation of movement in the number of options in Scheme 2 is provided below.

| | Option exercise price (pence) | Remaining life (years) | Number of options |
|-------------------------|--|-----------------------------------|--------------------------|
| 31 December 2021 | 1/14th | 3.0 | 3,660,000 |
| Forfeited | 1/14th | N/A | (300,000) |
| 31 December 2022 | 1/14th | 2.8 | 3,360,000 |

The options carried forward as at 31 December 2022 are both outstanding and exercisable.

Scheme 4 - 2021 scheme

The following assumptions were used in the valuation under the old performance criteria:

| Award tranche | Award 1 |
|--|----------------|
| Grant date | 07/03/22 |
| TSR achieves 6% compounded over 2022-2024 | 10% vest |
| Fair value at modification date | £4.44 |
| Estimated forfeiture rate | 20% |
| Remaining contractual life | 2.25 |
| TSR achieves 16% compounded over 2022-2025 | 20% vest |
| Fair value at modification date | £1.84 |
| Estimated forfeiture rate | 26% |
| Remaining contractual life | 3.25 |
| TSR achieves 16% compounded over 2022-2026 | 70% vest |
| Fair value at modification date | £1.71 |
| Estimated forfeiture rate | 31% |
| Remaining contractual life | 4.25 |

The following assumptions were used in the valuation under the new performance criteria:

| Award tranche | Award 1 |
|--|----------------|
| Grant date | 07/03/22 |
| Group achieves £110m EBITDA by 31 March 2025 | 10% vest |
| Fair value at modification date | £11.43 |
| Risk-free interest rate | 3.240% |
| Estimated forfeiture rate | 20% |
| Remaining contractual life | 2.25 |
| Group achieves £125m EBITDA by 31 March 2026 | 20% vest |
| Fair value at modification date | £11.09 |
| Risk-free interest rate | 3.201% |
| Estimated forfeiture rate | 26% |
| Remaining contractual life | 3.25 |
| Group achieves £145m EBITDA by 31 March 2027 | 70% vest |
| Fair value at modification date | £10.76 |
| Risk-free interest rate | 3.241% |
| Estimated forfeiture rate | 31% |
| Remaining contractual life | 4.25 |

For all options noted within the table above, the exercise price per option is 0.0714p (equivalent to 1/14th pence) and the expected dividend yield is 3.06%, which has been assumed to be paid throughout the performance period. The volatility used within the calculations was 26.87% which was determined by calculating the Group's observed historical volatility over a period equal to the time until the end of the assumed maturity date. The initial share price used in the calculations was £12.25.

The estimated forfeiture rate assumption is based upon management's expectation of the number of options that will lapse over the vesting period and are reviewed annually. Management believes the current assumptions to be reasonable.

The total charge recognised for the scheme during the 12 months to 31 December 2022 was £0.8m (2021: £nil). The awards of the scheme will be settled with ordinary shares of the Company.

Reconciliation of movement in the number of options in Scheme 4 is provided below.

| | Option exercise price (pence) | Remaining life (years) | Number of options |
|-------------------------|--|-----------------------------------|--------------------------|
| 31 December 2021 | 1/14th | N/A | - |
| Granted | 1/14th | N/A | 1,772,000 |
| Forfeited | 1/14th | N/A | (56,000) |
| 31 December 2022 | 1/14th | 3.9 | 1,716,000 |

The options carried forward as at 31 December 2022 are both outstanding and exercisable.

11. Acquisitions

Media Business Insight Holdings Limited

On 9 June 2022 the Group acquired 100% of the share capital of Media Business Insight Holdings Limited ("MBI") for cash consideration of £22.9m. In August 2022, the Group paid a working capital adjustment of £0.3m following finalisation of the completion accounts. MBI and its subsidiaries had a bank balance of £3.5m on the acquisition balance sheet, therefore the net cash cost of the acquisition to the Group was £19.7m. The companies within this group specialise in providing content, insight and events for the creative media industry. In addition, there are a number of contingent consideration payments due for settlement between 2023-2025 up to a maximum amount of £1.6m, which are being recognised as remuneration expenses within the income statement and are disclosed as an adjusting item in note 5.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

| | Carrying value £m | Fair value adjustments £m | Fair value £m |
|--|-------------------------|---------------------------------|------------------|
| Intangible assets consisting of: | | | |
| Trade names | - | 9.4 | 9.4 |
| Customer relationships | - | 5.5 | 5.5 |
| Database | - | 0.4 | 0.4 |
| Net assets acquired consisting of: | | | |
| Property, plant and equipment | 0.1 | - | 0.1 |
| Intangible assets | 0.9 | (0.8) | 0.1 |
| Cash and cash equivalents | 3.5 | - | 3.5 |
| Trade and other receivables | 2.8 | (0.1) | 2.7 |
| Trade and other payables | (4.1) | 0.6 | (3.5) |
| Corporation tax | - | (0.5) | (0.5) |
| Deferred tax | - | (4.0) | (4.0) |
| Fair value of net assets acquired | 3.2 | 10.5 | 13.7 |

The goodwill recognised in relation to the acquisition is as follows:

| | Fair value £m |
|----------------------------|------------------|
| Consideration | 22.9 |
| Working capital adjustment | 0.3 |
| Less net assets acquired | (13.7) |
| Goodwill | 9.5 |

In line with the provision of IFRS3, fair value adjustments may be made within the 12-month period from the date of acquisition which would result in an adjustment to the goodwill balance reported above. The goodwill that arose on the combination can be attributed to the assembled workforce, know-how and research methodology. The fair values of the identified intangible assets were calculated in line with the policies detailed on page 83 of the Group's Annual Report and Accounts for the year ended 31 December 2022. The amount of goodwill which is expected to be deductible for tax purposes is £nil.

The Group incurred legal and professional expenses of £0.8m in relation to the acquisition. In the period from the date of acquisition to 31 December 2022, the trade of MBI generated revenues of £7.4m and EBITDA of £1.0m. If the acquisition had occurred on 1 January 2022, Group revenue would have been £251.5m and Group Adjusted EBITDA would have been £88.8m.

TSL Research Group Limited

On 31 August 2022 the Group acquired 100% of the share capital of TSL Research Group Limited (“TS Lombard”) for cash consideration of £13.3m. The group of companies acquired provide economic and political research, with a particular strength in emerging markets. The acquisition provides the Group with further access to the asset management sales channel to sell its full product suite to. In addition, there are a number of contingent consideration payments due for settlement during 2024 to a maximum amount of £3.0m, which are being recognised as remuneration expenses within the income statement and are disclosed as an adjusting item in note 5.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

| | Carrying value £m | Fair value adjustments £m | Fair value £m |
|---|-------------------------|---------------------------------|------------------|
| Intangible assets consisting of: | | | |
| Customer relationships | - | 4.0 | 4.0 |
| Database | - | 1.5 | 1.5 |
| Trade names | - | 0.6 | 0.6 |
| Net assets acquired consisting of: | | | |
| Cash and cash equivalents | 0.1 | - | 0.1 |
| Trade and other receivables | 0.7 | - | 0.7 |
| Trade and other payables | (2.3) | - | (2.3) |
| Deferred tax | - | (0.3) | (0.3) |
| Fair value of net (liabilities)/ assets acquired | (1.5) | 5.8 | 4.3 |

The goodwill recognised in relation to the acquisition is as follows:

| | Fair value £m |
|--------------------------|------------------|
| Consideration | 13.3 |
| Less net assets acquired | (4.3) |
| Goodwill | 9.0 |

In line with the provision of IFRS3, fair value adjustments may be made within the 12-month period from the date of acquisition which would result in an adjustment to the goodwill balance reported above. The goodwill that arose on the combination can be attributed to the assembled workforce, know-how and research methodology. The fair values of the identified intangible assets were calculated in line with the policies detailed on page 83 of the Group’s Annual Report and Accounts for the year ended 31 December 2022. The amount of goodwill which is expected to be deductible for tax purposes is £nil.

The Group incurred legal and professional expenses of £1.1m in relation to the acquisition. In the period from the date of acquisition to 31 December 2022, the trade of TS Lombard generated revenues of £1.7m and EBITDA of £0.1m. If the acquisition had occurred on 1 January 2022, Group revenue would have been £247.1m and Group Adjusted EBITDA would have remained at £86.4m.

Cash Cost of Acquisitions

The cash cost of acquisitions in 2022 comprises:

| | 31 December 2022 |
|--|------------------|
| | £m |
| Acquisition of LMC: Working capital adjustment | 0.7 |
| Acquisition of MBI: | |
| Cash consideration | 22.9 |
| Cash acquired | (3.5) |
| Working capital adjustment | 0.3 |
| Acquisition of TS Lombard: | |
| Cash consideration | 13.3 |
| Cash acquired | (0.1) |
| | 33.6 |

12. Related party transactions

Mike Danson, GlobalData's Chief Executive Officer, owned 62.5% of the Company's ordinary shares as at 31 December 2022 and 60.1% as at 27 February 2023 and is therefore the Company's ultimate controlling party. Mike Danson owns a number of businesses that interact with GlobalData Plc, largely in part as a result of past M&A transactions (GlobalData Holdings in 2016 and Research Views Limited in 2018).

The Board has put in place an additional control framework to ensure related party transactions are well controlled and managed. Related party transactions are overseen by a subcommittee of the Board. The Related Party Transactions Committee, consisting of 4 Non-Executive Directors and chaired by Murray Legg meets to:

- Oversee all related party transactions;
- Ensure transactions are in the best interests of GlobalData and its wider stakeholders; and
- Ensure all transactions are recorded and disclosed on an arm's length basis.

As noted in the 2021 Annual Report, it is the intention of the Board and management to reduce and eventually eliminate related party transactions and wind down the service agreements that are currently in place. During 2022 we have continued the progress made in 2021 and now expect to have eliminated all legacy relationships with related parties by 31 December 2023.

During the year, the following related party transactions were entered into by the Group:

Accommodation

During 2021, we eliminated all related party landlord arrangements, following the sale of the John Carpenter and Essex Street properties by the Estel Properties Group to third party landlords, and secondly, the surrender of the Hatton Garden lease by GlobalData. These transactions completed in the first half of 2021 and therefore charges during 2022 were £nil (2021:£0.8m).

In addition, GlobalData Plc sub-let office space to other companies owned by Mike Danson, but this also materially ceased during 2021 with the exception of one property (the related party tenant exited as at 31 December 2022 and therefore no related party property transactions are expected in 2023). The total sub-lease income for the year ended 31 December 2022 was £0.1m (2021: £0.4m).

Corporate Support Services

In 2022 net corporate support charges of £0.6m were charged to the Group from NS Media Group Limited ("NSMGL"), a related party by virtue of common ownership (2021: £0.2m charge to NSMGL). The corporate support charges principally consist of shared IT support and software development. The IT contracts have been recharged on a consistent basis to the previous year and are determined by headcount. The shared software support is clearly segregated into separate GlobalData and NSMGL teams and the charges are based upon this segregation with a benchmarked mark-up. The Group expects the related contracts to end during 2023, which will result in the elimination of corporate support services transactions. The Group expects that shared software development and support will also cease in 2023.

Loan to Progressive Trade Media Limited

The previous outstanding loan was fully repaid on 31 January 2022 and generated interest income in 2022 of £5,000 (2021: £0.05m). Interest was charged throughout the term of the loan at a rate of 2.25% above LIBOR. The balance at 31 December 2022 is £nil (2021: £0.9m). The loan was specifically entered into in relation to the divestment of non-core print and advertising businesses in 2016 and no further loan relationships are expected.

Revenue contract containing IP sharing clause

The Group entered into a five-year data services agreement with NSMGL in June 2020. The agreed suite of data services provided to NSMGL have been contracted on terms equivalent to those that prevail in arm's length transactions. The Group mutually agreed with NSMGL to terminate this agreement on 1 July 2022 in order to reduce the amount of related party transactions as well as a different strategic direction in NSMGL. The total revenue generated from this contract was £0.4m (2021: £1.4m) and the net contribution generated was £0.2m (2021: £0.8m). The cancellation was in accordance with the contracted terms.

NSMGL also acted as a sales distributor for some GlobalData products. On these transactions they charged agent fees of £0.2m (2021: £0.1m).

Charity Donations

During the year the Group paid donations of £0.1m (2021: £nil) to charities in India which were funded by a related party entity, The Danson Foundation (charity reference 1121928). This was a pass-through transaction, with the Group facilitating payment to our charity partners in India.

Balances Outstanding

As at 31 December 2022, the total balance receivable from NSMGL was £nil. There is no specific credit loss provision in place in relation to this receivable and the total expense recognised during the period in respect of bad or doubtful debts was £nil.

The Group has taken advantage of the exemptions contained within IAS24: Related Party Disclosures from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation. The amounts outstanding for other related parties were £nil (2021: £0.9m). There were no other balances owing to or from related parties.

Directors and Key Management Personnel

The remuneration of Directors is disclosed within the Directors' Remuneration Report on page 60 of the Group's Annual Report and Accounts for the year ended 31 December 2022.