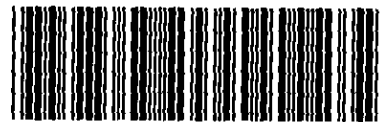


# Triley Midco Limited

Consolidated Annual Report and Accounts

For the year ended 30 June 2023

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Registered Number: 13753390

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## COMPANY INFORMATION

**Company Registration Number**

13753390

**Registered office**

Pitcairn House  
Crown Square  
Centrum 100  
Burton-on-Trent  
Staffordshire  
DE14 2WW

**Director**

RJ Paling

**Independent auditors**

PricewaterhouseCoopers LLP  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

## STRATEGIC REPORT

The Directors present their strategic report of Triley Midco Limited ('the Company') together with its subsidiary companies ('Clinigen' or 'the Group' or 'Clinigen Group') for the year ended 30 June 2023. The comparative period ended 30 June 2022, is from the date of incorporation of 18 November 2021, with the activity reflecting the period from acquisition of the Clinigen Group on 4 April to 30 June 2023, as described below.

### Incorporation and Acquisition

The Company was incorporated on 18th November 2021 as a vehicle established by a fund managed by Triton Partners to acquire Clinigen Limited and its subsidiaries (the "Clinigen Group"). The Company remained largely dormant until 25th February when the Company subscribed for shares in a new entity, Triley Midco 2 Limited which was set up for the purpose of holding the external financing facilities in connection with the acquisition. On 30th March, the Company subscribed for further shares in Triley Midco 2 Limited for total consideration of £911.0m satisfied entirely in cash. This investment was funded by a corresponding issue of shares in the company to its parent Triley Holdco Limited for equal consideration and also settled entirely in cash.

On 4th April 2022 the Triley Midco Limited Group (the "Group") acquired Clinigen Limited (formerly Clinigen Group plc) by means of a scheme of arrangement for total consideration of £1,257.6m, settled entirely in cash.

### Principal activities and business model

Clinigen is dedicated to providing healthcare professionals (HCPs) and their patients around the world with quicker and broader access to critical medicines, and in the process increasing the value of a pharmaceutical product by extending and expanding its lifecycle.

Clinigen provides a unique set of niche, high value services to pharma and biotech clients at all stages of their products' lifecycles. This combined offering helps to accelerate drug development plans and enable access to critical medicines at a country, regional, and global level for patients with unmet needs by providing a quality assured, ethical service to hospital physicians and pharmacists seeking access to these medicines.

On top of the core services offering, Clinigen also owns the rights to a number of medicines which have been acquired or developed in-house. During the year good progress has been made in simplifying the Group with the divestment of a number of elements within the Owned Products area of the business.

### Business review

Alternative performance measures are defined and reconciled in note 3 of the financial statements. Comparative information is for a 3-month period, from acquisition of the Clinigen Group by a Triton fund (as described above) to the 30 June 2022 and the movements in income statement are mainly as a result of prior year being for a shorter period.

The Group is seeing good progress from its strategic focus on its service offering to pharmaceutical and biotechnology clients at all stages of their product lifecycle with the divestment of Proleukin and its Greek based Contract Development Organisation business, Lamda, during the year. Growth from the services business has helped to offset the headwinds against the owned product portfolio. Total revenue from continuing operations increased to £515.2m (2022 3 months: £151.4m) and to £424.5m (2022 3 months: £124.3m) on a net revenue basis, while adjusted EBITDA increased to £84.2m (2022 3 months: £29.0m).

A favourable revenue mix in the year with higher Partnered and Managed Access sales (with higher margins) and lower clinical sourcing sales was the driver for underlying gross margin increasing to 34.7% (2022 3 months: 31.7%). Gross profit growth was driven by strong volumes and pricing in Partnered along with Managed Access volumes higher as programs are larger and continuing for longer. Adjusted EBITDA reflected an investment in overheads in supply chain, IT, data and digital capabilities to drive long term growth.

Adjusted profit before tax from continuing operations increased to £16.8m (2022 3 months: £nil) after deducting amortisation and depreciation charges of £19.8m (2022 3 months: £4.1m) driven primarily from investment in both digital and physical infrastructure to support growth of the operational platform on which the service offering to customers is based and finance costs of £47.6m (2022 3 months: £24.9m), reflecting a £140m repayment of the second lien term loan B in May 2023.

Loss before tax on a statutory reported basis was £53.8m (2022 3 months: loss £53.4m) after taking into account the significant non underlying amortisation of intangibles assets arising on acquisition and other non-underlying items. Further detail on the non-underlying costs incurred in the year can be found in note 8 to the financial statements.

Total profit for the year of £56.1m (2022 3 months: loss £57.0m) reflects a £97.8m profit from discontinued operations which includes a £97.8m gain on sale of Proleukin and Lamda.

The Group maintains a strong balance sheet with net assets of £886.9m (2022: £890.7m) and net debt of £539.3m (2022: £675.8m). Adjusted operating cash flow of £47.8m (2022 3 months: £48.5m) represented a 57% conversion on adjusted EBITDA (2022 3 months: 167%).

## STRATEGIC REPORT (continued)

### Acquisitions and disposals

On 25th November 2022, the Group acquired 100% of the share capital of Drug Safety Navigator LLC ("DSN") for US\$6m (note 27).

On 23rd January 2023, the Group signed an option agreement for the disposal of the worldwide rights to Proleukin to Iovance Biotherapeutics Inc. for up-front cash of £166.9m, a milestone payment of £41.7m upon first approval of Lifileucel and a perpetual regular contingent consideration payment based as a % of sales. The transaction completed on 18th May 2023.

On 31st March 2023, the Group completed the disposal of Lamda Laboratories S.A. ('Lamda') to Adragos Pharma GmbH for cash proceeds of £26.0m, before deducting £0.9m cash in the business, for the entire share capital of Lamda.

Subsequent to the year end the Group divested four owned products to CNX Therapeutics Limited as detailed in note 30. The associated results from this divestment have been classified as held for sale and discontinued within these financial statements.

### Key performance indicators (KPIs)

The Group's primary key performance indicators are net revenue, adjusted EBITDA and adjusted operating cash flow which are the best measures of the performance of the business in achieving its strategic objectives.


The Group's net revenue increased to £424.5m (2022 3 months: £124.3m) as a result of the annualisation of the Group's results from one quarter to a full year.

Adjusted EBITDA increased to £84.2m (2022 3 months: £29.0m) again due to the annualisation of the Group's results.

Adjusted operating cash flow of £47.8m (2022 3 months: £48.5m) represented a 57% conversion on adjusted EBITDA (2022 3 months: 167%).


### Principal risks and uncertainties


In respect of the year ended 30 June 2023, an assessment of the principal risks facing the Group has been performed, including those that would threaten the Group's business model, future performance, or liquidity. The key risks, including landscape and management mitigations are summarised below:

GEOPOLITICAL AND MACROECONOMIC RISK		Trend
Failure to identify, monitor and respond to geopolitical and macro-economic changes which could have a significant financial impact and/or impact on our ability to service our clients and customers.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>Political and economic volatility with prolonged economic impacts likely to persist.</li> <li>Food, energy supply, cost of living crisis exacerbate societal vulnerabilities and ultimately workforce dynamics.</li> <li>The Ukraine war is ongoing and likely to continue into the medium term.</li> <li>Increased likelihood of further geopolitical tensions in other regions, including the Middle East.</li> <li>Increased market uncertainty delaying the path to lower inflation and likelihood of higher interest rates for longer.</li> </ul>	<ul style="list-style-type: none"> <li>Broad and diverse services strategy supported by geographical range and expansion thus limiting the impact of events in any single territory.</li> <li>Ongoing monitoring of developments in key geographies.</li> <li>Maintenance of effective relationships with regulatory bodies to enable the Group to respond rapidly to local changes in circumstances or events.</li> <li>Exposure to currency fluctuation is reduced by using bank accounts denominated in the principal foreign currencies for payments and receipts.</li> <li>Where there is a sufficient visibility of currency needs, hedging is in place for foreign exchange to help mitigate volatility and aid margin management.</li> <li>Interest rate risk is managed through use of appropriate hedging of the groups floating interest rate expense on its debt funding.</li> <li>Inflation and interest rate impact is monitored closely across operations and modelled in financial forecasts.</li> <li>Financial forecasting and stress testing conducted.</li> <li>Regular monitoring of the Group's foreign currency exposures and impact on cash flows.</li> </ul>	

## STRATEGIC REPORT (continued)



### Principal risks and uncertainties (continued)

PHARMACEUTICAL AND BIOTECHNOLOGY MARKET TRENDS		Trend
Clinigen is dependent upon the ability and willingness of pharmaceutical and biotechnology companies to continue to spend on research and development and to outsource the services that we provide. Clinigen is therefore subject to risks, uncertainties and trends that affect these companies in the industry.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>• Strong growth in markets Clinigen has chosen to operate in.</li> <li>• Pharmaceutical and biotechnology companies strategy to outsource clinical and post marketing associated services.</li> <li>• Potential for new services and expansion into new markets to lead to increased regulatory requirements.</li> <li>• Global increase in R&amp;D activity with year-on-year expansion in clinical studies</li> <li>• Increasing disease complexity/development in new technologies and more intricate trial design driving greater need for specialist partners.</li> <li>• Potential for customers to cancel or delay clinical trials or commercialisation projects.</li> <li>• Increasing competition in pharmaceutical services</li> </ul>	<ul style="list-style-type: none"> <li>• Clinigen continues to broaden its customer base to reduce reliance on any one customer, location or therapeutic area.</li> <li>• Focus on delivering a high standard of work to our customers and retaining these customers in the long term.</li> <li>• Focus on building a strong recurring pipeline of projects</li> <li>• Clinigen operates across the globe with a significant geographic footprint with expansion across adjacent services ensuring long term added value partnerships with customers.</li> <li>• Monitoring of business dynamics and client/customer trends.</li> </ul>	

BUSINESS RESILIENCE AND DISRUPTION		Trend
Failure to implement and manage a resilient delivery model, including appropriate use and management of third parties, leading to quality issues, delivery disruption and financial and/or reputational implications.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>• Increasing reliance on resilience/business continuity of entities and third parties to ensure services are not impacting.</li> <li>• Continuing political and economic volatility increasing the risk to supply and disruption of our services, ultimately impacting the end customer (patient).</li> <li>• Increasing complexity in supply chains and demands from customers.</li> </ul>	<ul style="list-style-type: none"> <li>• The Group seeks to reduce the over-reliance on critical suppliers through dual sourcing where possible.</li> <li>• Maintenance of appropriate stock levels to minimise the risk of shortage of supply and ability to respond to market shortages.</li> <li>• Business Interruption ('BI') insurance in place to mitigate the financial risk associated with a prolonged disruption to service(s).</li> <li>• Marine insurance in place to limit the Group's financial exposure and liability in the event of loss/damage to client product during transit.</li> <li>• Third party risk management controls seek to minimise the risk of disruption in the supply chain.</li> <li>• Strict inbound quality control and quarantine procedures are adopted at all warehouse facilities.</li> </ul>	


## STRATEGIC REPORT (continued)

### Principal risks and uncertainties (continued)

REGULATORY COMPLIANCE		Trend
Failure to comply with relevant legal and regulatory requirements leading to regulatory action, financial penalties, reputational damage and/or ultimately loss of trading licenses.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>Increasing complexity in the external global legal and regulatory environment.</li> <li>Quality and Compliance requirements fundamental to global business operations within the pharmaceutical supply chain.</li> <li>Client audits continuing to extend focus behind Good Practice in pharmaceutical operations (GxP) compliance, including ethics and compliance and sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>Global Compliance Management System ("CMS") in operation, setting out clear policies, procedures and guidance covering non-GxP legal and regulatory requirements.</li> <li>Global Quality Policy and Manual facilitated via electronic Quality Management System to ensure GxP compliance.</li> <li>Regular updating of the Group's processes and procedures to facilitate compliance by all our employees, with all applicable regulations;</li> <li>Mandatory annual training for all employees across a range of key legal and regulatory requirements, including Good Manufacturing Practice, Good Distribution Practice activities, as well ethics and compliance (i.e. Anti-Bribery and Corruption, Sanctions, and Data Protection).</li> <li>Contract management and legal review procedures;</li> <li>Ongoing proactive dialogue with relevant stakeholders and competent authorities.</li> <li>Robust processes and controls to support clean Competent Authority inspections and client audits.</li> </ul>	
TECHNOLOGY ENVIRONMENT		Trend
Failure to ensure the IT infrastructure and applications across the technology ecosystem support the running of the business now and in the future. The Group fails to successfully implement scalable technology and efficient platforms, impeding its ability to deliver on its strategic plans.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>Importance of preparing for the IT infrastructure of the future which will affect the ability to serve our clients and customers.</li> <li>Complexity of the technology environment is increasing, and will continue to increase at pace.</li> <li>Increasing reliance and demands on technology (and data) from clients and customers.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing programmes designed to respond to internal and external demands on the Group's IT infrastructure, including alignment and migration of multiple ERPs in operation across the business.</li> <li>IT disaster recovery plans are developed and testing completed to ensure critical systems/ applications could be restored in the event of a disruption.</li> <li>Recovery of critical systems is managed via the IT Managed Service Provider ("MSP").</li> <li>Programme of testing provides assurance of our ability to rebuild systems from backups.</li> <li>Regular reviews of third parties including risk assessments for outsourcing and review of IT suppliers.</li> </ul>	


## STRATEGIC REPORT (continued)


### Principal risks and uncertainties (continued)

CYBER SECURITY		Trend
Failure to adequately protect the technology landscape leading to leakage of personal/confidential data; and/or reduced defences against ransomware attacks.		
Risk landscape	Mitigations	
<ul style="list-style-type: none"> <li>• Cybercrime and cyber warfare increasingly widespread and likely due to the continued volatility in the external geopolitical environment and technological developments.</li> <li>• Increased reliance on technology to deliver services leading to a greater risk of cyber security threats.</li> <li>• Continued need to prepare for the technology environment of the future affecting the ability to serve clients needs and demands.</li> <li>• The proliferation of data-collecting devices and data dependent AI technologies likely to increase cyber and data security risk exposure.</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated Information Security (InfoSec) team providing overall strategic direction, framework and policies for information security.</li> <li>• Cyber security policies and procedures to minimise this risk, including preventative and detective controls based on the broad principles of NIST, CIS and ISO:27001.</li> <li>• Information Security Management System, covering policies, processes, leadership and assessment for client data and other information.</li> <li>• Mandatory security education and awareness training for all.</li> <li>• Data breach prevention controls and enhanced controls for high risk groups including Managed Access clients, patients, and employees.</li> <li>• Vulnerability scanning, threat intelligence and penetration testing.</li> <li>• Anti-virus software.</li> <li>• Incident response capability including cyber insurance.</li> <li>• Continual investment in established cyber security controls.</li> <li>• Security awareness and education programmes.</li> </ul>	

## STRATEGIC REPORT (continued)

### Principal risks and uncertainties (continued)

<b>PEOPLE</b>		<b>Trend</b>
Failure to adapt our people strategies now in anticipation of changes in employee expectations and business models of the future. This includes: <ul style="list-style-type: none"><li>• Failure to offer a strong proposition to future talent, restricting our ability to attract and retain the right talent;</li><li>• Failure to anticipate and adapt to changing employee demands and expectations as an employer;</li><li>• Failure to create and maintain a diverse and inclusive workforce and culture;</li><li>• Failure to develop the skills and leaders required to deliver on our strategic ambitions;</li><li>• Failure to adequately address employee wellbeing and mental health.</li></ul>		
<b>Risk landscape</b>	<b>Mitigations</b>	
<ul style="list-style-type: none"><li>• External disruptors make it increasingly difficult to define trends and anticipate workforce demands and expectations of the future.</li><li>• Evolving skills needed to deliver services to clients and customers.</li><li>• Societal shift away from traditional career paths and working patterns will continue to be seen i.e. hybrid working.</li><li>• Importance of a diverse workforce and pay equity will continue to evolve and be a significant focus for employees.</li></ul>	<ul style="list-style-type: none"><li>• Our people strategies are regularly reviewed and updated to ensure they remain relevant.</li><li>• A comprehensive job grading and performance management framework provides our people with a clear and transparent mechanism for progression, pay and reward.</li><li>• Regular reviews of the market to benchmark the Group's relative competitive position are completed.</li><li>• Ongoing and frequent employee engagement through the use of the 'Peakon' platform.</li><li>• Regular monitoring and reporting to the Board.</li><li>• Clinigen Management Academy to assist with career development and improve competency.</li><li>• Talent mapping and succession planning</li><li>• Employee satisfaction and engagement is monitored weekly via Peakon to ensure Clinigen remains an exceptional place to work.</li><li>• Ongoing mental health and wellbeing training initiatives.</li></ul>	

<b>CLIMATE AND ENVIRONMENT</b>		<b>Trend</b>
Failure to appropriately mitigate and respond to the impacts of climate change and degradations to the environment on our operations, including preparing for its implications and: <ul style="list-style-type: none"><li>• failure to transition our own business to adapt to the impacts of climate change and environmental degradation;</li><li>• failure to meet our climate and environmental commitments; and</li><li>• failure to comply with regulatory disclosure and other regulatory requirements.</li></ul>		
<b>Risk landscape</b>	<b>Mitigations</b>	
<ul style="list-style-type: none"><li>• Increasing and evolving client sustainability reporting requirements requiring us to identify changes, be agile and adapt at speed.</li><li>• Increasing complexity of climate and other sustainability related disclosures.</li><li>• Increasing scrutiny from a multitude of stakeholders on transitioning our business to net zero.</li></ul>	<ul style="list-style-type: none"><li>• Board approved sustainability strategy in place and proactively monitored throughout the year.</li><li>• Robust governance structure provides clear oversight and ownership of the Group's strategy and management of climate-related risks.</li><li>• Science-based commitment to reach Net Zero by 2040. Net Zero Roadmap under development.</li><li>• Cloud-based climate reporting platform in place, enabling accurate capture and reporting on climate performance and target setting.</li><li>• Sustainability engagement programme designed to drive down carbon emissions (scope 3) and ensure compliance with the EU Corporate Sustainability Reporting Directive (CSRD) underway.</li></ul>	

## STRATEGIC REPORT (continued)

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG')

Clinigen exists to make sure a healthcare professional with a patient in need, anywhere in the world, can always get the right medicine for their individual patient – quickly, easily and safely whether licensed or unlicensed. Population growth, an increasingly elderly population, climate change, growing incidences of chronic diseases and rare or orphan medicines, increasing patient knowledge, and concerns around counterfeit medicines are all driving increasing demand for quality medicines which are not available at the 'point of care'. These material issues drive the basis of our sustainability strategy and continued areas of prioritisation, alongside operating as a responsible and sustainable business.

### SUSTAINABILITY STRATEGY

Following Triton's acquisition of Clinigen in 2022, the Group has worked hard to refresh its Sustainability Strategy to ensure that it clearly represents our commitment to building a responsible and sustainable business, through clear goals that address the issues that matter most to our business, our people, and the external environment that we operate within. This has included realigning accountability for sustainability at an operational level, and revising our pillars to ensure greater alignment to the Group's core purpose, mission, vision, and values.

The Board is ultimately responsible for the Group's Sustainability Strategy, including setting its commitments and targets. The strategy is overseen by the Executive Management Team, with operational responsibility sitting with the VP Risk, Assurance & Compliance. The Board approved strategy sets out the Group's long-term commitments and is based upon an annual materiality assessment. The Group's four material objectives are:

- **Accelerating Access** – We improve lives by accelerating access to medicine for patients in every corner of the globe.
- **Decarbonising Healthcare** – We take collective action to reduce emissions and minimise our impact on the environment.
- **Developing Change Makers** – We empower the people we work with every day to expand our positive impact.
- **Leading with Integrity** – We build trust through collaboration, inclusion, and transparency, creating a culture where ethics drive our success.

On an annual basis Clinigen reports the impact of its sustainability strategy within a standalone Sustainability Impact Report. The report is made available externally via the corporate website.

### WHAT'S NEXT

The last 12 months have been a critical milestone in our sustainability journey, with the Group setting firm commitments which has seen us accelerate our journey across a number of material issues, most notably climate whereby the Board approved the commitment to setting validated Science Based Targets (SBTs) by 2025.

Over the next 12 months, the Group will continue to implement and monitor its sustainability action plan, and most notably will finalise its first Net Zero Roadmap, including near and long term SBTs. Further detail on the Group's sustainability plans will be made available via the Sustainability Impact Report.

### STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

Clinigen have continued to capture UK emissions as required by the SECR regulations that came into force on 1 April 2019. The collection and creation of the SECR report was facilitated externally by TEAM (Energy Auditing Agency Limited). The SECR report covers Scope 1 direct emissions, which includes company-owned vehicles, Scope 2 indirect emissions from electricity purchased and Scope 3 emissions from private vehicles for business use.

The SECR report aligns with the financial year to 30 June 2023. Using the latest figures provided by the Department for Business, Energy and Industrial Strategy and the Department for Environment, Food and Rural Affairs, TEAM converted the data into tonnes of Carbon Dioxide equivalent ('tonnes of CO<sub>2</sub>e') and categorised into Scope 1, Scope 2 and Scope 3 emissions.

## STRATEGIC REPORT (continued)

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG')

#### STREAMLINED ENERGY AND CARBON REPORTING ('SECR')

##### Using market-based green tariff conversions

TEAM have identified that for the year to 30 June 2023, Clinigen emitted 82.88 tonnes of CO<sub>2</sub>e which equates to 0.14 tonnes of CO<sub>2</sub>e per £1 million turnover. This represents a significant reduction in CO<sub>2</sub>e emitted by the UK business compared to the prior year, largely driven by the reduction in Scope 2 emissions associated with energy consumption. As part of Clinigen's energy performance and energy saving, imported electricity in FY23 was sourced from >50% renewable energy supplies and Clinigen's gas supply was switched to biomethane. Using a market-based method to estimate emissions allows Clinigen's renewable purchasing strategy to be factored in.

CO <sub>2</sub> tonnes equivalent	FY23	FY22 <sup>2</sup>
Scope 1 emissions	6.60	45.45
Scope 2 emissions	71.36	263.21
Scope 3 emissions <sup>1</sup>	4.92	10.69
<b>Total emissions</b>	<b>82.88</b>	<b>319.35</b>
Intensity ratio (CO <sub>2</sub> tonnes per £1m of turnover)	0.14	0.52

<sup>1</sup> Scope 3 includes all other indirect emissions that occur in a company's value chain. For the purposes of UK SECR reporting, Clinigen's Scope 3 emissions only include business travel and employee commuting. <sup>2</sup> FY22 emissions relate to 12 months activity for the Clinigen group.

#### RATINGS AND DISCLOSURES

Clinigen works closely with a range of ESG rating agencies in support of being transparent and open regarding our ESG performance. The Board and external stakeholders utilise the following agency ratings to support assessing and benchmarking the Group's sustainability performance:

- MSCI - rated 'A';
- Sustainalytics - rated 'Low Risk'; and
- EcoVadis – awarded 'Silver medal' in 2023.

During the year, Clinigen also completed its third CDP (Carbon Disclosure Project) submission and is awaiting the score outcome to be published.

#### OTHER ESG INITIATIVES

During the year Clinigen was reaccredited for ISO:14001 for the UK and continued to implement a range of targeted actions aimed at reducing our impact on the climate and environment, including:

- Switching several sites to renewable sourced electricity and fuel (gas);
- Implementation of Solar Panelling at the warehouse in Pretoria, South Africa;
- Commencing a global waste management provider review;
- Completion of bio-diversity and water scarcity risk assessments;
- Expansion of data capture in our cloud-based software solution (by Cority) to capture, convert and report on location-based emissions.

#### CLIMATE RISK & OPPORTUNITIES

During the reporting period Clinigen made significant improvements to its internal processes and systems to enable the Group to make its first voluntary disclosure against the Task force on Climate Related Financial Disclosures (TCFD).

In accordance with TCFD, Clinigen has prepared a standalone report that presents our TCFD index and our climate-related financial disclosures. Overall, we consider that Clinigen has a low-level of climate change exposure. We further believe that there are no significant opportunities that Clinigen may be able to benefit from as a consequence of climate change. The TCFD report will be published on the corporate website.

## STRATEGIC REPORT (continued)

### STAKEHOLDER ENGAGEMENT AND SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In this way, Section 172 requires the Directors to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long term
- Interests of the Company's employees
- Need to foster the Company's business relationships with suppliers, customers and other material stakeholders
- Impact of the Company's operations on local communities and the environment
- Desirability of the Company maintaining a reputation for high standards of business conduct
- Need to act fairly between members of the Company

During the year ended 30 June 2023, the Directors have complied with the requirements of Section 172 in promoting the long-term success of the Group for the benefit of all stakeholders. The Directors acknowledge that some decisions will not necessarily result in a positive outcome for all stakeholders, however, by considering the Company's purpose, mission, vision, values and commitment to responsible business together with its strategic priorities and having a process in place for decision-making, the Directors ensure that their decisions are in the best interests of the business.

The following disclosure describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) and forms the Directors' statement required under Section 414CZA of the Companies Act 2006.

#### Key stakeholders

The Directors consider patients, pharmaceutical and biotech clients, HCP customers, employees, competent authorities and investors to be the Group's key stakeholders and the following activities have been undertaken during the period to engage with these stakeholders.

#### Patients

Patients are central to the service that Clinigen provides to its pharmaceutical and biotech clients and HCPs. It is ultimately patients' needs and requirements that help to shape the type of services that the Group provides. Through its various business lines, Clinigen makes new or different treatment options available for patients with unmet needs around the world. This makes all the difference for patients, whether it be enabling access to a life-saving treatment, or introducing an option that could have a vast impact on a patient's quality of life.

We engage with the patient community through our global patient advocacy function within medical affairs. Across the Group, our aims have been to create a feedback loop with the community whereby actual patient needs can be heard, and have an impact upon Clinigen's business and priorities.

#### Pharmaceutical & Biotech Clients

Clinigen provide solutions to pharmaceutical and biotech companies at all stages of the medicine lifecycle. It is only through strong relationships with pharma companies that Clinigen can expedite and broaden access to medicines for patients around the world. Clinigen's platform provides pharmaceutical and biotech companies with ethical, compliant and efficient solutions to medicine access challenges throughout the medicine lifecycle. These solutions drive value and simplify partnering strategies.

Clinigen engage pharmaceutical and biotech companies at multiple points throughout a medicine's lifecycle – from phase II to commercial. The solutions Clinigen provide vary depending on the company's internal capabilities and specific access needs. Over the last 12 months Clinigen has provided solutions to more than 500 pharma and biotech companies. These companies range from large Top 20 pharma companies to small niche biotech.

#### HCP Customers

Along with pharmaceutical and biotech companies, HCPs are the other main user of the service Clinigen provides. Effectively servicing the needs of HCPs across the world is critical to being able to achieve our mission. Clinigen provides a platform that enables HCPs to access critical medicines in a simple, efficient and compliant manner. This saves time, minimises resource impact and enables HCPs to treat their patients as quickly as possible.

Clinigen's multi-channel platform, Clinigen Direct, enables the Group to engage with HCPs via phone, email and online. Clinigen also have field-based teams such as Medical Science Liaison that consult directly with treating physicians.

## STRATEGIC REPORT (continued)

### STAKEHOLDER ENGAGEMENT AND SECTION 172(1) STATEMENT (continued)

#### Employees

The Group's employees are vital to help us deliver on our strategic objectives and so it is critical to recruit, develop and retain the right people. It is only by having a happy, thriving and high performing team that we can continue to serve the needs of our patients and customers. Many of our employees are attracted to Clinigen due to the nature of the work enabling better access to medicines. In addition, Clinigen offers a diverse working culture that will offer opportunities for career development and personal growth.

We encourage a culture of open communication through a range of two-way mediums including regular employee staff forums; global intranet platform; newsletters; and regular Group and divisional performance updates from the Executive team. In addition, we utilise Peakon, the world's leading platform for measuring and improving employee engagement.

Age, Colour, race, gender, disability, ethnic origin, national origin, marital status, sexual orientation, religious or political views must not be seen as barriers to employment and we are proud of the Group's diverse employment base. The Group is committed to providing equal opportunities for individuals in all aspects of employment and considers the skills and aptitudes of disabled persons in recruitment, career development, training and promotion. The Group supports employees with disabilities, ensuring the necessary reasonable adjustments are in place to support them.

#### Competent authorities

Clinigen engages with Competent Authorities including regulators and government departments in order to operate within the appropriate regulatory and legal framework and expedite access to medicines. Our quality and regulatory functions engage with competent authorities for marketing authorisations, importing and exporting of unlicensed medicines, strategic guidance and periodic inspections. The competent authorities ensure that every element of the service Clinigen provides is compliant and, most importantly, protects the patients we provide access for. Forming strong and transparent relationships with Competent Authorities is key to service the needs of our pharmaceutical clients and HCP customers.

#### Investors

We regularly communicate with our shareholders primarily through Board meetings held by our parent company Triley Holdco Limited which the Group's executive management team agree strategy, report on performance and agree actions. We communicate with our debt investors on a quarterly basis by providing financial updates and key developments in accordance with our loan agreements. We also provide an annual update to our debt investors through conference calls and provide opportunities for face to face meetings with the management team.

On behalf of the Board



RJ Paling,  
Director  
21 February 2024

## DIRECTORS' REPORT

The Directors present their report together with the Strategic Report and audited consolidated financial statements of the Company and the Group for the year ended 30 June 2023. Triley Midco Limited is a private company limited by shares, incorporated and domiciled in the UK and registered in England and Wales.

### Going concern

The Group's strategy and forecasts, taking account of sensitivities within the trading projections and possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future. At 30 June 2023, the Group had £98.5m of cash balances along with a further £75m of undrawn borrowing facility available, which combined with the Group's positive cash generation from each of its operations, provides sufficient funding for the near-term settlement of liabilities along with sufficient liquidity for ongoing trading.

The disposals made during the year (note 28) provided, and will continue to provide, a considerable cash inflow for the Group, further mitigating any going concern risk.

After making appropriate enquires, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Therefore, the Company and Group continues to adopt the going concern basis in preparing its financial statements. Further information on the Group's borrowing facilities is given in note 19.

### Strategic Report

As permitted by legislation, some of the matters required to be included in the Directors' Report have instead been included in the Strategic Report on pages 3 to 12, as the Board considers them to be of strategic importance. Specifically, these are the business review and future developments on page 3, risk management on pages 4 to 8, environmental, social and corporate governance on pages 9 to 10, SECR reporting on page 10 and the statement on stakeholder engagement on page 12.

### Financial instruments

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and foreign exchange risk. The Group has a risk management program that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and related finance costs and managing foreign currency transactions. The Group has implemented policies that require appropriate credit checks before a sale is made. The Group reduces its exposure to currency fluctuations on translation by managing currencies using bank accounts denominated in foreign currencies. Where there is sufficient visibility of currency requirements, forward contracts are used to hedge its exposure to foreign currency fluctuations. Further detail is provided in note 20 of the consolidated financial statements.

### Directors

The Directors of the Company who held office during the year and up to the date of signing the financial statements were:

RJ Paling (Appointed 3 January 2023)  
DJ Bryant (Appointed 3 January 2023, resigned 26 January 2024)  
CT Cheung (Resigned 3 January 2023)  
MC Turner (Resigned 3 January 2023)

### Directors' indemnity insurance

During the year and up to the date of signing of this report, the Company, through the Group, maintained liability insurance and third party indemnification provisions (which are a qualifying third party indemnity provision for the purposes of the Companies Act 2006) for its directors.

### Political donations

No political donations were made in the year (2022: £nil).

### Research & development

The Group carries out product development activities as part of its strategy to license and commercialise pharmaceuticals. The nature of this development is limited and focused on low-risk generics, in-licensing opportunities for existing drugs into new territories and development of new indications for its existing owned product portfolio.

## **DIRECTORS' REPORT (continued)**

### **Independent auditors**

Pursuant to section 487 of the Companies Act 2006, the independent auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

### **Dividends**

The Directors do not propose a dividend for the current financial year (2022: £nil).


### **Disclosure of information to the independent auditors**

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's independent auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's independent auditors are aware of that information.

### **Post balance sheet events**

Details of events occurring after the end of the reporting period are contained in note 30 of the Group financial statements.

On behalf of the board

A handwritten signature in black ink, appearing to be 'RJ Paling', written over a dotted line.

RJ Paling  
Director  
21 February 2024

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Consolidated Annual Report and Accounts in accordance with applicable law and regulation.

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

# Independent auditors' report to the members of Triley Midco Limited

## Report on the audit of the financial statements

### Opinion

In our opinion:

- Triley Midco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2023 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Consolidated Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated statement of financial position and the company balance sheet as at 30 June 2023; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Triley Midco Limited  
Annual Report and Accounts 2023

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report,**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report, for the year ended 30 June 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Medicines and Healthcare Products Regulatory Agency, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries (for example journal entries to increase revenue or profit) and bias in relation to judgements and estimates, particularly in the areas of goodwill and intangible assets impairment assessment. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the group's internal control related to estimates;
- Validating the support behind the assumptions and judgements made by management including challenging against possible alternatives, for example in relation to goodwill and intangible asset impairment assessment;

- Identifying and substantively testing higher risk journal entries, in particular any that increased profit, that had unusual account combinations;
- Discussions with and corroborating key assertions made by finance management, including views on accounting judgements and estimates, and considering known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading the minutes of the Board meetings to identify any inconsistencies with other information provided by management; and
- Reviewing legal expense accounts to identify significant legal spend which may be indicative of serious breaches of laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

#### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Norbury BSc FCA (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
21 February 2024

## CONSOLIDATED INCOME STATEMENT for the year to 30 June 2023

(In £m)	Note	2023			2022* (Re-presented) (Note 28)		
		Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
Revenue	4	515.2	-	515.2	151.4	-	151.4
Cost of sales		(336.5)	(6.9)	(343.4)	(103.4)	(17.9)	(121.3)
<b>Gross profit</b>		<b>178.7</b>	<b>(6.9)</b>	<b>171.8</b>	<b>48.0</b>	<b>(17.9)</b>	<b>30.1</b>
Administrative expenses		(114.3)	(56.5)	(170.8)	(23.1)	(27.0)	(50.1)
<b>Profit / (loss) from operations</b>		<b>64.4</b>	<b>(63.4)</b>	<b>1.0</b>	<b>24.9</b>	<b>(44.9)</b>	<b>(20.0)</b>
Finance costs	9	(47.6)	(7.2)	(54.8)	(24.9)	(8.5)	(33.4)
<b>Profit / (loss) before income tax</b>		<b>16.8</b>	<b>(70.6)</b>	<b>(53.8)</b>	<b>-</b>	<b>(53.4)</b>	<b>(53.4)</b>
Income tax (expense) / credit	10	(2.5)	14.6	12.1	(2.8)	8.5	5.7
<b>Profit / (loss) from continuing operations</b>		<b>14.3</b>	<b>(56.0)</b>	<b>(41.7)</b>	<b>(2.8)</b>	<b>(44.9)</b>	<b>(47.7)</b>
Profit / (loss) from discontinued operations	28	27.5	70.3	97.8	0.4	(9.7)	(9.3)
<b>Profit / (loss) attributable to owners of the Company</b>		<b>41.8</b>	<b>14.3</b>	<b>56.1</b>	<b>(2.4)</b>	<b>(54.6)</b>	<b>(57.0)</b>

\*2022 is 3 months of results, from the date that the Clinigen Group was acquired by a subsidiary of the Company.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year to 30 June 2023

(In £m)	2023			2022 (Re-presented) (Note 28)		
	Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
Profit / (loss) attributable to owners of the Company	41.8	14.3	56.1	(2.4)	(54.6)	(57.0)
<b>Other comprehensive (expense) / income</b>						
<b>Items that may be subsequently reclassified to profit or loss</b>						
Cash flow hedges	0.3	-	0.3	(0.1)	-	(0.1)
Currency translation differences	(45.4)	-	(45.4)	38.5	-	38.5
Net investment hedge	(0.3)	-	(0.3)	(2.1)	-	(2.1)
Income tax relating to net investment hedge	0.1	-	0.1	0.4	-	0.4
Income tax recognised directly in other comprehensive income	1.0	-	1.0	-	-	-
Foreign exchange translation differences reclassified to income statement on disposal of businesses	(15.6)	-	(15.6)	-	-	-
<b>Total other comprehensive (expense) / income</b>	<b>(59.9)</b>	<b>-</b>	<b>(59.9)</b>	<b>36.7</b>	<b>-</b>	<b>36.7</b>
<b>Total comprehensive (expense) / income attributable to owners of the Company</b>	<b>(18.1)</b>	<b>14.3</b>	<b>(3.8)</b>	<b>34.3</b>	<b>(54.6)</b>	<b>(20.3)</b>
<b>Total comprehensive (expense) / income arising from:</b>						
Continuing operations	(30.0)	(56.0)	(86.0)	9.9	(44.9)	(35.0)
Discontinued operations	11.9	70.3	82.2	24.4	(9.7)	14.7

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 June 2023

(In £m)	Note	2023	2022
Intangible assets	11	1,205.2	1,685.3
Property, plant and equipment	12	20.1	20.7
Right-of-use assets	13	20.6	20.9
Contingent consideration receivable	28	162.8	1.2
Derivative financial instruments	20	14.8	-
Deferred tax assets	21	0.1	1.5
<b>Total non-current assets</b>		<b>1,423.6</b>	<b>1,729.6</b>
Corporation tax assets		5.5	-
Inventories	14	66.5	80.5
Trade and other receivables	15	119.0	133.4
Contingent consideration receivable	28	42.9	-
Held for sale assets	29	24.6	-
Cash and cash equivalents	16	98.5	110.5
<b>Total current assets</b>		<b>357.0</b>	<b>324.4</b>
<b>Total assets</b>		<b>1,780.6</b>	<b>2,054.0</b>
Trade and other payables	17	-	0.8
Borrowings and lease liabilities	19	636.3	769.4
Deferred tax liabilities	21	128.5	209.9
<b>Total non-current liabilities</b>		<b>764.8</b>	<b>980.1</b>
Trade and other payables	17	114.6	164.6
Provisions	18	6.6	-
Corporation tax liabilities		3.0	1.5
Borrowings and lease liabilities	19	4.5	16.9
Derivative financial instruments	20	0.2	0.2
<b>Total current liabilities</b>		<b>128.9</b>	<b>183.2</b>
<b>Total liabilities</b>		<b>893.7</b>	<b>1,163.3</b>
<b>Net assets</b>		<b>886.9</b>	<b>890.7</b>
<b>Equity attributable to owners of the Company:</b>			
Share capital	22	91.1	91.1
Share premium account	23	819.9	819.9
Hedging reserve	23	0.2	(0.1)
Foreign exchange reserve	23	(24.4)	36.8
Accumulated losses	23	0.1	(57.0)
<b>Total equity</b>		<b>886.9</b>	<b>890.7</b>

The notes on pages 24 to 61 form an integral part of the consolidated financial statements.

The financial statements on pages 19 to 61 were approved and authorised for issue by the Board of Directors on 21 February 2024 and were signed on its behalf by:

  
**RJ PALING,**  
Director

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year to 30 June 2023

(In £m)	Note	2022 (Re-presented) 2023 (Note 28)	2022 (Re-presented) (Note 28)
<b>Operating activities</b>			
Loss for the period before tax		(53.8)	(53.4)
Net finance costs	9	54.8	33.4
Profit / (loss) from operations		1.0	(20.0)
Adjustments for:			
Amortisation and impairment of intangible fixed assets		58.0	7.8
Depreciation of property, plant and equipment		8.0	2.1
Profit on sale of intangible assets		-	(0.3)
Increase in fair value of contingent consideration receivable	8	(0.5)	(0.7)
<b>Operating cash flows before movements in working capital</b>		<b>66.5</b>	<b>(11.1)</b>
Decrease in inventories		0.3	31.8
Decrease in trade and other receivables		10.6	7.1
(Decrease) / increase in trade and other payables		(45.3)	4.0
Increase in provisions		1.1	-
<b>Cash generated from operations</b>		<b>33.2</b>	<b>31.8</b>
Income taxes paid		(11.1)	(3.0)
Interest paid		(59.6)	(12.6)
<b>Net cash flows (used in) / generated from operating activities – continuing operations</b>		<b>(37.5)</b>	<b>16.2</b>
Net cash flows from operating activities – discontinued operations	28	25.1	4.5
<b>Net cash flows (used in) / generated from operating activities</b>		<b>(12.4)</b>	<b>20.7</b>
<b>Investing activities</b>			
Purchase of intangible fixed assets	11	(16.6)	(4.1)
Purchase of property, plant and equipment	12	(5.0)	(0.9)
Proceeds from sale of intangible assets		-	0.3
Purchase of subsidiaries, net of cash acquired	27	(5.2)	(1,165.3)
<b>Net cash flows generated from / (used in) investing activities – continuing operations</b>		<b>(26.8)</b>	<b>(1,170.0)</b>
Net cash flows generated from / (used in) investing activities – discontinued operations	28	191.0	(0.6)
<b>Net cash flows generated from / (used in) investing activities</b>		<b>164.2</b>	<b>(1,170.6)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS for the year to 30 June 2023 (continued)

<b>Financing activities</b>			
Issue of shares	22	-	911.0
Proceeds from increase in borrowings	19	-	728.8
(Repayment of) / proceeds from related party loans	19	(15.3)	11.9
Loan repayments	19	(142.5)	(391.3)
Principal element of lease payments	19	(3.8)	(1.0)
<b>Net cash flows (used in) / generated from financing activities – continuing operations</b>		<b>(161.6)</b>	<b>1,259.4</b>
Net cash flows used in financing activities – discontinued operations	28	(0.1)	-
<b>Net cash flows (used in) / generated from financing activities</b>		<b>(161.7)</b>	<b>1,259.4</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9.9)</b>	<b>109.5</b>
Cash and cash equivalents at 1 July / incorporation (18 November 2021)	16	110.5	-
Foreign exchange (loss) / gain		(2.1)	1.0
<b>Cash and cash equivalents at 30 June</b>	<b>16</b>	<b>98.5</b>	<b>110.5</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year to 30 June 2023

(In £m)	Share capital (Note 22)	Share premium account	Hedging reserve	Foreign exchange reserve	Accumulated losses	Total equity
<b>At 1 July 2022</b>	<b>91.1</b>	<b>819.9</b>	<b>(0.1)</b>	<b>36.8</b>	<b>(57.0)</b>	<b>890.7</b>
Profit for the year	-	-	-	-	56.1	56.1
Currency translation differences	-	-	-	(45.4)	-	(45.4)
Net investment hedge, net of tax	-	-	-	(0.2)	-	(0.2)
Income tax recognised directly in other comprehensive income	-	-	-	-	1.0	1.0
Foreign exchange translation differences reclassified to income statement on disposal of businesses	-	-	-	(15.6)	-	(15.6)
Cash flow hedges						
– Effective portion of fair value movements	-	-	0.4	-	-	0.4
– Transfers to the income statement (revenue)	-	-	(0.1)	-	-	(0.1)
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>0.3</b>	<b>(61.2)</b>	<b>57.1</b>	<b>(3.8)</b>
<b>At 30 June 2023</b>	<b>91.1</b>	<b>819.9</b>	<b>0.2</b>	<b>(24.4)</b>	<b>0.1</b>	<b>886.9</b>

(In £m)	Share capital (Note 22)	Share premium account	Hedging reserve	Foreign exchange reserve	Accumulated losses	Total equity
Loss for the period	-	-	-	-	(57.0)	(57.0)
Currency translation differences	-	-	-	38.5	-	38.5
Net investment hedge, net of tax	-	-	-	(1.7)	-	(1.7)
Cash flow hedges						
– Effective portion of fair value movements	-	-	(0.3)	-	-	(0.3)
– Transfers to the income statement (revenue)	-	-	0.2	-	-	0.2
<b>Total comprehensive income / (expense)</b>	<b>-</b>	<b>-</b>	<b>(0.1)</b>	<b>36.8</b>	<b>(57.0)</b>	<b>(20.3)</b>
Issue of shares	91.1	819.9	-	-	-	911.0
<b>Total transactions with owners of the Company, recognised directly in equity</b>	<b>91.1</b>	<b>819.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>911.0</b>
<b>At 30 June 2022</b>	<b>91.1</b>	<b>819.9</b>	<b>(0.1)</b>	<b>36.8</b>	<b>(57.0)</b>	<b>890.7</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year to 30 June 2023

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted by the Group and applied in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated.

#### Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, modified to include revaluation to fair value of certain financial instruments, in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The preparation of these financial statements requires the use of certain critical accounting estimates. It also requires Group management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the periods presented in these financial statements. These financial statements are presented in pounds sterling, which is the Group's presentation currency and all financial information has been rounded to the nearest £0.1m.

The comparative period ended 30 June 2022, is from the date of incorporation of 18 November 2021, with the activity reflecting the period from acquisition of the Clinigen Group on 4 April to 30 June 2023, as described below. The comparative period has been restated for the activities which have been discontinued.

#### Going concern

The Group's strategy and forecasts, taking account of sensitivities within the trading projections and possible changes in trading performance, show that the Group has adequate resources to continue in operational existence for the foreseeable future. At 30 June 2023, the Group had £98.5m of cash balances along with a further £75m of undrawn borrowing facility available, which combined with the Group's positive cash generation from each of its operations, provides sufficient funding for the near-term settlement of deferred consideration liabilities along with sufficient liquidity for ongoing trading even after taking into consideration potential severe but plausible risk factors.

The post balance sheet disposals (note 30) will provide a considerable cash inflow for the Group, further mitigating any going concern risk.

After making appropriate enquires, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Therefore, the Company and Group continues to adopt the going concern basis in preparing its financial statements. Further information on the Group's borrowing facilities is given in note 19.

#### Basis of consolidation

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Subsidiaries are those entities where the Company has the ability to control the activities of and decisions made by that entity and to receive economic benefits that can be affected by that control.

The results of subsidiaries acquired during the period are included in the Group results from the date on which control is transferred to the Group. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the accounting policies adopted by the Group. There are no significant restrictions on the Group's ability to access or use assets and settle liabilities of the Group.

Associates are accounted for using the equity method.

Intercompany transactions and balances are eliminated on consolidation.

#### Business combinations

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is equal to the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

## 1. ACCOUNTING POLICIES (continued)

### Business combinations (continued)

Acquisition costs for business combinations and post-acquisition restructuring costs are recognised as non-underlying costs in the income statement as adjusting items as they do not relate to normal trading activities and to reflect their one-off nature.

### Foreign currency

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in sterling, being the currency of the primary economic environment in which the Parent Company operates. This is the Group's presentation currency.

#### (b) Transactions and balances

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing at the reporting date. Share capital denominated translated to the Group's presentation currency is held at historical rate. All foreign exchange gains and losses are presented in the income statement within administrative expenses.

#### (c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Assets and liabilities for each statement of financial position presented are translated at the closing exchange rate on the date of that statement. Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal would be transferred to the income statement as part of the profit or loss on disposal.

### Non-underlying items

Non-underlying items are material items of income or expense which the Directors consider are not related to the normal trading activities of the Group and are therefore separately disclosed as non-GAAP measures to enable full understanding of the Group's financial performance. These include one-off items relating to acquisitions e.g. acquisition costs and the costs of restructuring post-acquisition; amortisation of intangible assets arising on acquisition and acquired products; movements of deferred or contingent consideration; and the release of the fair value adjustment made to inventory acquired through a business combination. The associated tax impact of these items is also reported as non-underlying.

### Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate geographic area of operation or a separate major line of business. Classification as a discontinued operation occurs upon disposal or earlier if the operation meets the criteria to be classified as held-for-sale. Discontinued operations are presented in the Group income statement as a separate line and are shown net of tax.

When an operation is classified as a discontinued operation, comparatives in the Group income statement and the Group statement of comprehensive income are re-presented as if the operation had been discontinued from the start of the comparator year.

### Held for sale assets

Assets are classified as held for sale when their carrying amounts are to be recovered or settled principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less costs to sell. No depreciation or amortisation is charged in respect of non-current assets classified as held for sale.

## 1. ACCOUNTING POLICIES (continued)

### Intangible assets

#### Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities including those intangible assets identified under IFRS 3 'Business Combinations'.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the income statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the income statement on the acquisition date as a non-underlying item.

Goodwill is not amortised, but is assessed for impairment annually or more frequently if events or changes indicate a potential impairment. Goodwill arising on business combinations is allocated to the associated group of cash-generating units ('CGUs') based on the particular segment that it relates to. This is then assessed against the discounted cash flows of the group of CGUs for impairment.

### Intangible assets (continued)

#### Brand

Brands are recognised where applicable on business combinations and are initially recognised at the fair value of the asset at the acquisition date. The carrying value of the brand is calculated as cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the fair value cost of the asset over its estimated useful life. The estimated useful lives range between 15 and 20 years. The amortisation expense is recognised within non-underlying administrative expenses in the income statement.

#### Contracts

Contracts acquired in a business combination are recognised at fair value on the acquisition date. The contracts recognised as intangible assets relate to those with key suppliers which were identified as important to the trade of the acquired business.

The contracts have a finite life and are amortised over the contractual term. Amortisation is scheduled to follow the expected economic benefits, recognising the fair value cost of acquiring these contracts against the revenues generated from them. The amortisation expense is recognised within non-underlying administrative expenses in the income statement on a straight line basis.

#### Customer relationships

The customer relationships within acquired operating businesses can be separately identified. The customer relationships have been initially recognised following a business combination at the fair value of the asset at the acquisition date.

Amortisation is scheduled to follow the expected economic benefits of each asset over their estimated useful lives. The amortisation expense is recognised within non-underlying administrative expenses in the income statement.

#### Trademarks and licences

Separately acquired trademarks and licences are initially recognised at cost, being the fair value of the purchase price of the asset and any directly attributable cost of acquiring the asset and preparing it for its intended use.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends, has the technical ability and has sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the consolidated income statement as an expense as incurred. Internally developed trademarks and licences are held as assets under construction during development and amortisation commences when the development is complete and the asset is available for use.

The carrying value of trademarks and licences is calculated as cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the trademarks and licences over their estimated useful lives of between 5 and 25 years. The amortisation expense is recognised within underlying administrative expenses in the income statement, apart from where the trademarks or licences are acquired as part of a business combination or product acquisition which is recognised within non-underlying administrative expenses.

## 1. ACCOUNTING POLICIES (continued)

### Intangible assets (continued)

#### Computer software

Computer software is capitalised and recognised at cost, being the purchase price of the asset and any directly attributable costs of developing the asset for its intended use including internal staff costs for time spent specifically on development activities. The carrying value of computer software is calculated as cost less accumulated amortisation and impairment losses. Amortisation begins when the computer software comes into use and is calculated using the straight-line method to allocate the cost over its estimated useful life of three to seven years. The amortisation expense is recognised within underlying administrative expenses in the income statement

#### Impairment reviews

Goodwill is assessed for impairment annually or more frequently if events or changes indicate a potential impairment. Other intangibles are reviewed for impairment if a trigger is identified. The carrying value of individual intangible and tangible assets is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs to sell. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows (the CGUs).

Goodwill is allocated on initial recognition to each of the Group's CGUs or groups of CGU's that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any recognised impairment loss. Cost comprises the purchase price and directly attributable amounts to bring the asset into operation.

Depreciation is provided on all items of property, plant and equipment at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful economic life, as follows:

Land and buildings	– 25 years
Leasehold improvements	– remaining term of lease to which the improvements relate
Plant and machinery	– 20% per annum
Fixtures, fittings and equipment	– 20% to 33% per annum

### Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentive receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for termination of the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability or a revaluation of the liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Each right-of-use asset is depreciated over the shorter of its useful economic life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the Group, in which case the asset is depreciated to the end of the useful life of the asset.

Payments associated with the short-term leases are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

## 1. ACCOUNTING POLICIES (continued)

### Investments

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recorded at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

### Inventories

Inventories are initially recognised at cost and subsequently stated at the lower of cost and net realisable value. The first in, first out or an average method of valuation is used. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the estimated selling price less applicable variable selling expenses. Provisions are made for slow moving and damaged inventories. Inventories which have expired are fully provided for until they are destroyed, when they are written off.

A number of arrangements exist where the Group holds inventories on consignment. Under these arrangements such inventories are only recognised in the statement of financial position when the risks and rewards of ownership are transferred to the Group.

### Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to mitigate its exposure to foreign currency exchange risk on cash flow transactions. Derivative financial instruments are recognised initially at their fair value and remeasured at fair value at each period end. Where appropriate the Group designates hedge relationships for hedge accounting under IFRS 9 'Financial Instruments'.

Where hedge accounting has been applied, changes in the fair value of derivative financial instruments designated as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised immediately in the income statement. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in other comprehensive income is transferred to the income statement in the same period that the hedged item affects profit or loss. The designation is re-evaluated at each reporting date.

The gain or loss on remeasurement to fair value of derivatives that have not been designated for hedge accounting is recognised immediately in the income statement. Foreign forward exchange derivative gains and losses are recognised net.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge as well as any associated income tax expense or credit is recognised in other comprehensive income and accumulated in the foreign exchange reserve.

### Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, where they are recognised at fair value. The Group holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on payment profiles and historic credit losses. The historic loss rates are adjusted to reflect current and forward looking information on macro-economic factors to the extent they are relevant to the customers' ability to settle. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the movement in the provision being recognised within administrative expenses in the income statement. The gross carrying value of the asset is written off against the associated provision when the Group's right to the cash flows expires.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other highly-liquid cash investments.

## 1. ACCOUNTING POLICIES (continued)

### Borrowings

Borrowings are initially recognised at fair value net of transaction costs, including facility fees incurred. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Facility fees paid on the establishment of facilities and for the maintenance of the facility are capitalised against the loans and borrowings balance. These are amortised as the loan is repaid with the associated amortisation expense recognised in finance costs.

### Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

### Deferred and contingent consideration

Deferred consideration payable/receivable in cash in respect of the acquisition/disposals of intangible assets is recognised initially at its fair value at the date of acquisition/disposal. The difference between the fair value of the deferred consideration and the amounts payable/receivable in the future is recognised as a finance cost/income over the deferral period.

Contingent consideration on business combinations is initially measured at fair value and is payable/receivable in cash. The fair value of the contingent liability/asset is remeasured at each period end and the change in fair value is recognised in the income statement as a non-underlying item.

The contingent consideration liability/asset is classified as a current liability/asset if payment/receipt is due within one year or less. If not, it is presented as a non-current liability/asset.

### Retirement benefits: defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate. The Group has no further payment obligations once the contributions have been paid.

### Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the obligation can be estimated reliably. Provisions are discounted if the impact is deemed to be material.

### Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid. In the case of final dividends, this is when approved by the shareholders.

### Current and deferred taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge, including UK corporation tax and foreign tax, is calculated on the basis of the laws that have been enacted or substantively enacted by the balance sheet date. Provisions are established, where appropriate, on the basis of amounts expected to be paid.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

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

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered.

## 1. ACCOUNTING POLICIES (continued)

### Current and deferred taxes (continued)

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different company entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

### Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

### Revenue

Revenue represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes.

#### Supply of products

Revenue from the supply of products is recognised, at a point in time, when the Group has transferred control to the buyer. These criteria are normally considered to be met when the goods are delivered to the buyer, or on fulfilment of a prescription. Revenue is recognised at the fair value of consideration received or receivable.

Revenue from the supply of products in relation to charged for Managed Access Programs is recognised based on Clinigen being the principal in the transaction given the Group takes title and bears the inventory risk. The revenue and cost of sales on these arrangements are typically the same value and is therefore referred to as 'pass through revenue'. Net revenue defined as revenue excluding the pass through from Managed Access is an Alternative Performance Measure used by the Group as it allows management to assess the performance of the business after removing the distortion of pass through revenue which varies depending on the mix of 'charged for' and 'free of charge' programs in the period.

#### Service fees

All services provided in relation to Managed Access Programs and product development contracts are contractually agreed with the product originator. Revenue for these services is recognised in the period in which the services are provided. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. Estimates of revenues, costs or extent of progress toward completion are reviewed if circumstances change. Any resulting increase or decrease in estimated revenues or costs is reflected in profit or loss in the period in which the circumstances that give rise to the review become known to management.

Contracted program setup fees can be either for the whole project or triggered by milestones being achieved which are laid out in the contract. Revenue is recognised in relation to these fees over time as contracted milestones are achieved.

Monthly management fees are recognised as revenue over time as contractual services are provided.

Revenue in respect of program management fees is recognised, at a point in time, when goods, provided under the program, have been dispatched to the customer for whom the management fee relates.

#### Royalties

Royalty income is earned on product distribution agreements based upon a percentage of sales made by the distribution partner. As these sales-based royalties are on the licensing of the right to use the Group's intellectual property, revenue is only recognised at a point in time once the relevant product sales occur.

Revenue in the period principally arises from the three income streams discussed above. Further information is available in note 4.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes certain 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 differ 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 below.

### a. Critical estimates

#### Assessment for goodwill impairment

Goodwill impairment tests require the estimation of future cash flows to calculate a value-in-use and estimates of fair value less costs to sell for each group of CGUs. Future cash flow estimates are based on budgets and forecasts along with estimates of long term growth rates with the resulting cash flows discounted at an appropriate discount rate. The value of goodwill allocated to each group of CGUs, the long term growth rate assumptions and discount rates used are detailed in note 11. Disclosure is also provided of the discount rates and terminal growth rate required to eliminate headroom in impairment assessment.

#### Fair value of contingent consideration recognised on disposal of Proleukin

The disposal of Proleukin in May 2023 includes contingent consideration in the form of payments into perpetuity based on future sales of Proleukin. The estimated fair value of these future payments is dependent on the successful launch of a tumor-infiltrating lymphocyte (TIL) therapy by Iovance Biotherapeutics Inc, for which Proleukin is used as an adjunctive. The future sales of Proleukin have been estimated by management's third party expert which includes judgments on the level of adoption of TIL treatment by physicians within the cancer treatment regimen, whether it will be used as a second or third line of treatment, level of competition from other cancer treatments, types of cancer it will be approved for, the timing/ramp-up of sales in each area of treatment and the level of revenue gross to net adjustments for discounts and rebates.

Other input estimates into the fair value calculation for the contingent consideration asset include the discount rate and the terminal long-term growth rate used to calculate the net present value of the future cash flows. The fair value has been calculated based on estimated sales over a forecast period of 15 years to 2038 with a terminal value based on a long term growth rate at the end of that period. The cash flows have been risk adjusted using a probability of technical and regulatory success (PTRS) as determined by the 3rd party experts.

A fair value of £162.2m has been recognised for the contingent consideration asset, which is management's best estimate of the present value of cash flows that will arise. A reasonably likely range estimate for the fair value is between £100m and £225m dependent on the outcome of the variables detailed above.

If the estimated discount rate applied to the discounted cash flows at 30 June 2023 of 8% is raised by 1% the carrying amount of the contingent consideration asset would have been reduced by £14.7m. If the estimated long-term growth rate applied to the terminal year (2038 -5%) of cash flows is reduced by 1% the carrying amount of the contingent consideration asset would have been reduced by £2.1m. If each of the PTRS rates (range of 46% to 91%) were reduced by 1% the carrying amount of the contingent consideration asset would have been reduced by £2.3m. If the estimated number of patients reduced by 1% the carrying amount of the contingent consideration asset would have been reduced by £1.7m. If the gross to net revenue adjustment of 26% is increased by 1% the carrying amount of the contingent consideration asset would have been reduced by £2.3m.

These fair value calculations have been based on the assumption that Iovance Biotherapeutics Inc continues as a going concern for the foreseeable future. Management have reviewed this assumption based on publicly available information and note the funding risks associated with a biotechnology business launching its first product. However consider it an appropriate basis for the recognition of the contingent consideration.

#### Business disputes

The business has a number of disputes arising from the normal course of trading where the outcome is uncertain. In preparing the results management have determined their best estimate for what is the most likely outcome for each outstanding position. In total across all disputes the potential upside outcome from a favourable resolution could be £7.7m, being a £15m receivable recovery offset by a £7.3m payable currently recognised as a net nil position and a potential downside outcome from an unfavourable resolution could be £11.7m being non recovery of a £4.4m inventory balance and £7.3m liability payment

### b. Other Estimates

#### Sale of products wholesale

Before divestment of the product, Proleukin was sold to wholesalers with provisions to return product as a result of expiry dates being reached and for reimbursement from Clinigen for sale of product at below Wholesaler Acquisition Cost ('WAC'), known as chargebacks, where agreements are in place with healthcare providers. Revenue is recognised net of an estimate of reimbursements expected. Accumulated experience is used to estimate and provide for the reimbursements and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability (included in trade and other payables) is recognised for expected returns, rebates and chargebacks payable to customers in relation to sales made until the end of the reporting period.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### b. Judgements

#### Acquisition accounting

In the prior period, management made a number of judgements in relation to the acquisition of the Clinigen Group. Judgement was required to identify all assets and liabilities where they are different to those recorded in the books of the acquired group. For the purpose of annual impairment testing required by IAS 36 "Impairment of assets", further judgement was made in relation to the allocation of goodwill to each group of Cash Generating Units ("CGUs"), including the basis of recording the goodwill by jurisdiction and currency.

#### Managed Access judgment of being a principal

Managed Access Programs provide a service for clients to distribute unlicensed products before the product is licensed in key markets. Clinigen charges the end customer for the product supplied at the price determined by the client which results in a pass through of revenue. A judgment is taken by management that Clinigen is operating as principal in the transaction based on the Group taking title to the product and bearing inventory risk. As a result, Clinigen recognises the amounts charged to customers for this activity as revenue.

## 3. ALTERNATIVE PERFORMANCE MEASURES

The Group's performance is assessed using a number of non-GAAP financial measures which are not defined under IFRS. These measures are therefore considered alternative performance measures.

Management uses the adjusted or alternative measures as part of their internal financial performance monitoring and when assessing the future impact on operating decisions.

The measures allow more effective year-on-year comparison and identification of core business trends by removing the impact of items occurring either outside the normal course of operations or as a result of intermittent activities such as business combinations and restructuring. The principles to identify adjusting items have been applied to the current and prior year comparative numbers on a consistent basis.

The measures used in the Annual Report are defined in the table below.

Alternative performance measure	Related IFRS measure	Definition	Use/relevance
<b>Net revenue</b>	Revenue	Revenue excluding the pass through revenue from Managed Access.	The year-on-year growth in revenue can be impacted by a change in the mix of 'charged for' and 'free of charge' Managed Access Programs. Net revenue allows management and users of the financial statements to assess the performance of the business after removing the pass through revenue.
<b>EBITDA</b>	Profit from operations	Consolidated earnings before interest, tax, depreciation and amortisation.	Provides management with an approximation of cash generation from operational activities.
<b>Adjusted EBITDA</b>	Profit from operations	Consolidated earnings before interest, tax, depreciation, amortisation and adjusting items: Transaction costs, restructuring costs adjustments to contingent consideration arising from earnouts on acquisitions exceptional impairments Including share of associate EBITDA	Provides management with an approximation of cash generation from operational activities after removing the distortion of large/unusual items or transactions that are not reflective of the underlying performance of the business.
<b>Adjusted profit before tax</b>	Profit before tax	Profit before tax excluding adjusting items: As detailed above for adjusted EBITDA Amortisation of acquisition-related intangible assets, non-underlying finance costs Associate tax charge	Allows management to assess the performance of the business after removing the distortion of large/unusual items or transactions that are not reflective of the routine business operations.

### 3. ALTERNATIVE PERFORMANCE MEASURES (continued)

Alternative performance measure	Related IFRS measure	Definition	Use/relevance
<b>Net debt</b>	Borrowings	Net debt comprises the carrying value of all bank loans, net of unamortised loan issue costs, drawn revolving credit facilities and related party loans and cash and cash equivalents.  All amounts are closing balances as at the relevant balance sheet date.	Provides management with the level of leverage in the business and is used in the covenant calculations for the revolving credit facility.
<b>Adjusted Operating cash flow</b>	Cash flow from operating activities	Operating cash flow is net cash flow from operating activities before non underlying items, income taxes and interest.	Provides management with a view of the level of EBITDA converted into cash.

Adjusted operating cash flow of £47.8m (2022 3 months: £48.5m) represented a 57% conversion on adjusted EBITDA (2022 3 months: 167%).

A reconciliation of borrowings to net debt is given in note 19.

The table below provides a reconciliation of the adjusted measures to their related IFRS measure.

(In £m)	2023			2022* (Re-presented) (Note 28)		
	Underlying	Non-underlying (note 8)	Total	Underlying	Non-underlying (note 8)	Total
<b>Net revenue</b>	<b>424.5</b>	<b>-</b>	<b>424.5</b>	124.3	-	124.3
Pass through revenue	90.7	-	90.7	27.1	-	27.1
<b>Revenue</b>	<b>515.2</b>	<b>-</b>	<b>515.2</b>	151.4	-	151.4
Cost of sales	(336.5)	(6.9)	(343.4)	(103.4)	(17.9)	(121.3)
<b>Gross profit</b>	<b>178.7</b>	<b>(6.9)</b>	<b>171.8</b>	48.0	(17.9)	30.1
Administrative expenses excluding amortisation, impairment and depreciation	(94.5)	(10.3)	(104.8)	(19.0)	(21.2)	(40.2)
<b>Adjusted EBITDA</b>	<b>84.2</b>	<b>(17.2)</b>	<b>67.0</b>	29.0	(39.1)	(10.1)
Amortisation and impairment	(11.8)	(46.2)	(58.0)	(2.0)	(5.8)	(7.8)
Depreciation	(8.0)	-	(8.0)	(2.1)	-	(2.1)
<b>Profit / (loss) from operations</b>	<b>64.4</b>	<b>(63.4)</b>	<b>1.0</b>	24.9	(44.9)	(20.0)
Finance costs	(47.6)	(7.2)	(54.8)	(24.9)	(8.5)	(33.4)
<b>Profit / (loss) before income tax</b>	<b>16.8</b>	<b>(70.6)</b>	<b>(53.8)</b>	-	(53.4)	(53.4)
Income tax	(2.5)	14.6	12.1	(2.8)	8.5	5.7
<b>Loss from continuing operations</b>	<b>14.3</b>	<b>(56.0)</b>	<b>(41.7)</b>	(2.8)	(44.9)	(47.7)

\*2022 is 3 months of results, from the date that the Clinigen Group was acquired by a subsidiary of the Company.

## 4. REVENUE

All revenue arises from contracts with customers and is recognised at a point in time or over time in accordance with the Group accounting policies.

### Business line analysis

(In £m)	2023	2022 (Re-presented) (Note 28)
Partnered	138.1	32.4
On-Demand	44.0	10.4
Managed Access	127.5	33.7
CTS	96.0	43.8
CSM	74.0	14.8
Owned Products	47.8	17.5
Inter-segment eliminations	(12.2)	(1.2)
<b>Total revenue from external customers</b>	<b>515.2</b>	<b>151.4</b>

### Geographical analysis

(In £m)	2023	2022 (Re-presented) (Note 28)
UK	89.9	26.9
Europe	201.5	59.4
USA	61.7	23.5
South Africa	37.0	9.1
Australia	27.0	7.9
Rest of World	98.1	24.6
<b>Total revenue from external customers</b>	<b>515.2</b>	<b>151.4</b>

## 5. EXPENSES

### 5.1 Expenses

Profit / (loss) from operations is stated after the following:

(In £m)	2023	2022 (Re-presented) (Note 28)
Cost of inventories recognised as an expense in cost of sales	273.4	105.1
Employee benefit expense (net of capitalised costs of £2.0m (2022: £0.4m))	59.2	14.0
Amortisation and depreciation	66.0	9.9
Foreign exchange loss	1.1	4.6

## 5. EXPENSES (continued)

### 5.2 Auditors' remuneration

During the period, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

(In £m)	2023	2022
Fees payable to the Company's auditors for the audit of the Company and consolidated financial statements	0.7	0.3
Transaction related advisory fees	2.1	—
Other advisory fees	1.0	—
Fees payable to the Company's auditors for the audit of the Company's subsidiaries	0.3	0.1
	4.1	0.4

## 6. STAFF COSTS AND NUMBERS

### 6.1 Employee benefit expense - continuing operations

(In £m)	2023	2022 (Re-presented) (Note 28)
Wages and salaries	54.5	12.9
Social security costs	4.7	1.0
Other pension costs	2.0	0.5
<b>Gross expense</b>	<b>61.2</b>	<b>14.4</b>
Capitalised labour	(2.0)	(0.4)
<b>Net expense</b>	<b>59.2</b>	<b>14.0</b>

### 6.2 Average number of people employed

The average monthly number of people employed by the Group (on an FTE basis) during the period amounted to:

Number	2023	2022 (Re-presented) (Note 28)
Directors	2	2
Staff	1,096	1,017
<b>Continuing</b>	<b>1,098</b>	<b>1,019</b>
Discontinued operations	56	71
<b>Total</b>	<b>1,154</b>	<b>1,090</b>

The Headcount disclosure as presented for the prior period is the average headcount for the period after the acquisition of the Clinigen Group, on 4 April 2022. From incorporation to the acquisition date there were 2 directors only.

## 7. DIRECTORS' REMUNERATION

(In £m)	2023	2022
Aggregate emoluments	0.4	–

### Highest paid director

(In £m)	2023	2022
Aggregate emoluments	0.3	–

Two directors (2022: None), including the highest paid director, are members of the group's defined contribution pension scheme.

## 8. NON-UNDERLYING ITEMS

Non-underlying items have been reported separately in order to provide the reader of the financial statements with a better understanding of the operating performance of the Group. These items include amortisation of intangible assets arising on acquisition and acquired products, one-off costs including business and product acquisition costs, restructuring costs, changes in deferred and contingent consideration, impairments and unwind of discount on contingent consideration. The associated tax impact is also reported as non-underlying.

(In £m)	2023	2022 (Re-presented) (Note 28)
<b>Cost of sales</b>		
a) Unwind of fair value uplift on inventories from acquisition	6.1	17.9
b) Restructuring stock provision	0.8	–
	6.9	17.9
<b>Administrative expenses</b>		
c) Acquisition expenses	1.9	16.0
d) Restructuring costs	8.9	0.2
e) Change in the fair value of contingent consideration	(0.5)	(0.7)
f) Non-underlying acquisition related foreign exchange movements	–	5.7
g) Amortisation of intangible fixed assets acquired through business combinations and acquired products	43.9	5.8
h) Impairment of intangible fixed assets	2.3	–
	56.5	27.0
<b>Finance costs</b>		
i) Early repayment fees/Re-financing costs	7.2	8.5
<b>Taxation</b>		
j) Credit in respect of tax on non-underlying expenses	(14.6)	(8.5)
<b>Total continuing non-underlying items</b>	56.0	44.9
k) Discontinued non-underlying items	(70.3)	9.7
<b>Total non-underlying items</b>	(14.3)	54.6

a) The value of inventories acquired from business combinations was measured at fair value on acquisition in accordance with the requirements of IFRS 3. As the unwind of this fair value adjustment on sale of the inventories is one-off in nature it has been treated as a non-underlying item recognised through cost of sales.

b) Stock provision as a result of management decision to change strategy for Imukin.

## 8. NON-UNDERLYING ITEMS (continued)

- c) The Group incurred a number of one-off costs relating to acquisitions including legal fees, advisory fees and insurances which are expensed rather than capitalise in accordance with IFRS 3 and are treated as non-underlying.
- d) Restructuring costs have been incurred during the period in respect of changes to senior management and strategic alignment following acquisition by Triton, for onerous contract costs and one-off warehousing charges.
- e) Due to an exceptional performance by the Aseptic Compounding business which was divested by Clinigen in a prior year, a further £0.5m became receivable by the Group under the earn out arrangement which has been recognised as a non-underlying credit to administrative expenses in the period.
- f) Foreign exchange as a result of currency swaps resulting from acquisition related transactions.
- g) The amortisation of intangible assets acquired as part of business combinations (namely brand, trademarks and licences, customer relationships, and contracts) is included in non-underlying due to its significance and to provide the reader with a consistent view of the underlying costs of the operating Group.
- h) The impairment of trademarks and licenses includes a number of owned products.
- i) Costs incurred in repayment of the £140m second lien term loan including early repayment fee and acceleration of the related unamortised issue costs. In the period to June 2022 costs we incurred for re-financing the business on the acquisition by Triton.
- j) The tax credit in respect of non-underlying items reflects the tax benefit on the non-underlying costs incurred.
- k) The non-underlying costs associated with the discontinued business include £6.6m (2022: £4.0m) unwind of fair value of inventories, £23.1m (2022: £7.8m) amortisation charge on acquired intangibles and £4.3m impairment of Cardioxane on transfer to Held for Sale, £7.7m tax credit (2022: £2.2m tax credit) and profit on disposal of £96.6m net of costs on held for sales disposal group £1.2m.

## 9. FINANCE COSTS

(In £m)	2023	2022
Bank interest expense	56.4	11.2
Movement in fair value of interest rate swap	(14.8)	-
Borrowing costs	3.4	0.1
Foreign exchange charge on borrowings	1.7	13.4
Unwind of discount on lease liabilities	0.9	0.2
<b>Underlying finance costs</b>	<b>47.6</b>	<b>24.9</b>
Early repayment fees and acceleration of amortisation of debt issue costs	7.2	-
Non-underlying foreign exchange movements	-	6.2
Acquisition expenses	-	2.3
<b>Total finance costs</b>	<b>54.8</b>	<b>33.4</b>

## 10. INCOME TAX EXPENSE / (CREDIT)

(In £m)	2023	2022
<b>Current tax expense</b>		
UK corporation tax	0.3	(0.2)
Overseas tax at local prevailing rates	8.9	1.1
Adjustment in respect of prior years	(1.4)	-
<b>Total current tax expense</b>	<b>7.8</b>	<b>0.9</b>
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	(21.3)	(8.7)
Adjustment in respect of prior years	4.2	-
Adjustments in respect of tax rates	(5.0)	-
<b>Total deferred tax credit</b>	<b>(22.1)</b>	<b>(8.7)</b>
<b>Total income tax credit</b>	<b>(14.3)</b>	<b>(7.8)</b>
<b>Total income tax expense / (credit) arising from:</b>		
Continuing operations	(12.1)	(5.7)
Discontinued operations	(2.2)	(2.1)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK applied to profit for the period as follows:

(In £m)	2023	2022
(Loss) from continuing operations before income tax	(53.8)	(53.4)
Profit / (loss) from discontinuing operations before income tax	95.6	(11.4)
<b>Profit / (loss) before income tax</b>	<b>41.8</b>	<b>(64.8)</b>
Expected tax charge / (credit) based on corporation tax rate of 20.5% (FY22: 19.0%)	8.6	(12.3)
Expenses not deductible for tax purposes	1.2	5.9
Income not taxable	(1.0)	-
(Profit) on disposal of subsidiary	(21.8)	-
Adjustments to tax charge in respect of prior years	2.8	-
Effect of changes to tax rates	(5.0)	(0.4)
De-recognition of previously recognised tax losses	0.1	-
Higher rates of taxes on overseas earnings	0.8	(1.0)
<b>Total income tax credit</b>	<b>(14.3)</b>	<b>(7.8)</b>

Further information on deferred tax movements and balances is provided in note 21.

## Amounts recognised directly in equity

The income tax credit directly to equity during the period is as follows:

(In £m)	2023	2022
Current tax arising on movement in net investment hedge	(0.1)	(0.4)

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Prior year current tax arising on movement in net investment hedge	(0.5)	-
Prior year deferred tax arising on movement in net investment hedge	(0.5)	-
<b>Total tax arising on movement in net investment hedge</b>	<b>(1.1)</b>	<b>(0.4)</b>

## 11. INTANGIBLE ASSETS

	Acquired intangibles							
			Customer	Acquired trademarks and	Developed trademarks and	Computer		
(In £m)	Brand	Contracts	relationships	licences	licences	software	Goodwill	Total
<b>Cost</b>								
Acquired through business combination	119.5	104.5	178.5	553.0	-	83.4	616.1	1,655.0
Other additions	-	-	-	-	1.2	3.3	-	4.5
Exchange differences	1.8	(0.7)	5.5	25.1	-	0.8	9.2	41.7
<b>At 30 June 2022</b>	<b>121.3</b>	<b>103.8</b>	<b>184.0</b>	<b>578.1</b>	<b>1.2</b>	<b>87.5</b>	<b>625.3</b>	<b>1,701.2</b>
Acquired through business combination	-	-	0.4	-	-	-	4.7	5.1
Other additions	-	-	-	1.0	7.1	10.2	-	18.3
Disposal of businesses	-	-	-	(357.2)	(1.0)	-	(14.0)	(372.2)
Other disposals	-	-	-	-	(0.2)	(1.8)	-	(2.0)
Transfer to held for sale	-	-	-	(35.6)	-	-	-	(35.6)
Exchange differences	(4.4)	(7.4)	(2.7)	(7.8)	(0.5)	(0.2)	(23.9)	(46.9)
<b>At 30 June 2023</b>	<b>116.9</b>	<b>96.4</b>	<b>181.7</b>	<b>178.5</b>	<b>6.6</b>	<b>95.7</b>	<b>592.1</b>	<b>1,267.9</b>
<b>Accumulated amortisation and impairment</b>								
Charge for the period	1.6	1.3	2.0	7.2	-	3.6	-	15.7
Exchange differences	-	-	-	0.2	-	-	-	0.2
<b>At 30 June 2022</b>	<b>1.6</b>	<b>1.3</b>	<b>2.0</b>	<b>7.4</b>	<b>-</b>	<b>3.6</b>	<b>-</b>	<b>15.9</b>
Charge for the period	6.4	4.8	8.3	38.8	3.2	17.3	-	78.8
Impairment charge	-	-	-	4.9	1.7	-	-	6.6
Disposal of businesses	-	-	-	(23.4)	-	-	-	(23.4)
Other disposals	-	-	-	-	(0.2)	(1.8)	-	(2.0)
Transfer to held for sale	-	-	-	(11.0)	-	-	-	(11.0)
Exchange differences	(0.3)	(0.4)	(0.2)	(1.2)	(0.1)	-	-	(2.2)
<b>At 30 June 2023</b>	<b>7.7</b>	<b>5.7</b>	<b>10.1</b>	<b>15.5</b>	<b>4.6</b>	<b>19.1</b>	<b>-</b>	<b>62.7</b>
<b>Net book value</b>								
<b>At 30 June 2023</b>	<b>109.2</b>	<b>90.7</b>	<b>171.6</b>	<b>163.0</b>	<b>2.0</b>	<b>76.6</b>	<b>592.1</b>	<b>1,205.2</b>
At 30 June 2022	119.7	102.5	182.0	570.7	1.2	83.9	625.3	1,685.3

### Brands

The Group has several global and regional brand names including the Clinigen, Idis, Link, Equity and CSM brands. Each brand has been fair valued at the acquisition date by reference to the operating businesses acquired which utilise each brand. The fair value is based on a Relief-from-Royalty-Method which calculates the value of the brand as equivalent to the royalty savings accrued over time, as the brand is owned and royalties are not required to be paid to a third party for the branding. The useful lives range from 15 to 20 years.

## Contracts

Clinigen has exclusive distribution contracts and relationships with pharmaceutical companies to distribute products into both licensed and unlicensed markets. These were fair valued at the acquisition date based on Multi-period Excess Earnings Method. The useful life has been judged at 19 years.

## 11. INTANGIBLE ASSETS (continued)

### Customer relationships

There are long-standing relationships with significant repeat business, these relationships have been fair valued at the acquisition date using a discounted valuation of future cash flows. The customer relationships for each area of the business are being amortised over different useful economic lives (see note 1). The useful lives range from 10 to 25 years.

### Trademarks and licences

Trademarks and licences include the rights to pharmaceutical products and related dossiers which are either acquired or developed internally. This includes the Group's owned products including, Foscavir and Melatonin as well as dossiers and licences relating to products sold and distributed by the Group as part of its partnered portfolio. The assets were valued using a Multi-period Excess Earnings Method. The useful lives range from 13 to 25 years.

### Computer software

Clinigen has two main proprietary software platforms: Clinigen Direct and eCEMS. Both were developed internally and have been fair valued at the date of acquisition using a replacement cost-based approach. The useful life has been determined as 7 years.

### Goodwill

Goodwill is deemed to have an indefinite useful life. It is carried at cost and is reviewed annually for impairment. Where the recoverable amount is less than the carrying value, an impairment is made. During the period, goodwill was tested for impairment, with no impairment charge arising.

The Group allocates goodwill to groups of cash generating units ('CGU's), (previously described as cash generating units), which are deemed to be the lowest level at which goodwill will be internally monitored in-line with the Group's business units. Goodwill has been allocated as laid out in the table below.

(In £m)	2023	2022
Partnered	210.8	227.0
On-Demand	40.3	43.0
Managed Access	75.7	72.3
CTS	34.4	34.8
CSM	224.8	228.0
Owned Products	6.1	20.2
	592.1	625.3

The recoverable amount of each group of CGUs has been determined based on value-in-use calculations. These calculations use cash flow projections over a period of five years and a pre-tax discount rate as detailed below.

For each group of CGUs, a specific discount rate and long-term growth rate has been used and shown in the table below. Cash flow forecasts have been based on gross profit growth assumptions which are based on approved budgets for the upcoming year and strategic projections representing the best estimate of future performance utilising the Group's current asset base. The average gross profit growth over the review period are also detailed below.

	2023			2022		
	Discount rate	Long term growth	Growth rate	Discount rate	Long term growth	Growth rate
Partnered	14.4%	2.5%	16%	10%	2.0%	10%
On-Demand	14.1%	2.3%	20%	10%	2.0%	8%
Managed Access	13.2%	2.3%	10%	10%	2.0%	13%
CTS	12.3%	1.8%	11%	10%	2.0%	9%

CSM	10.4%	2.5%	17%	10%	2.0%	11%
Owned Products	12.0%	2.1%	5%	10%	2.0%	7%

## 11. INTANGIBLE ASSETS (continued)

The Group has applied sensitivities to assess whether any reasonably possible changes in assumptions could cause an impairment that would be material to these financial statements. The rates at which the headroom of the recoverable amount over the carrying value would be eliminated are as detailed below.

	2023		2022	
	Discount rate	Long term growth	Discount rate	Long term growth
<b>Rate required to eliminate headroom in impairment assessment:</b>				
Partnered	14.9%	1.7%	11.7%	(1.3%)
On-Demand	14.3%	2.0%	12.9%	(3.8%)
Managed Access	13.6%	1.6%	13.2%	(4.8%)
CTS	13.8%	(0.4%)	14.1%	(8.0%)
CSM	10.5%	2.3%	10.4%	1.2%
Owned Products	12.5%	1.5%	11.0%	(3.2%)

If the pre-tax discount rate applied to the cash flow projections of each group of CGU's had been 1% higher than management estimates, the group would have had to recognise impairments against goodwill as follows:

	Sensitised Discount rate	Impairment required
<b>Impairment required from sensitised discount rate</b>		
Partnered	15.4%	£16.2m
On-Demand	15.1%	£4.8m
Managed Access	14.2%	£6.7m
CSM	11.4%	£42.8m
Owned Products	13.0%	£10.2m

If the long term growth rate applied to the cash flow projections of each group of CGU's had been 0.5% lower than management estimates, the group would have had to recognise impairments against goodwill as follows:

	Sensitised Long term growth rate	Impairment required
<b>Impairment required from sensitised long term growth rate</b>		
On-Demand	1.8%	£0.7m
CSM	2.0%	£13.8m

## 12. PROPERTY, PLANT AND EQUIPMENT

(In £m)	Land and buildings	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Total
<b>Cost</b>					
Acquired through business combinations	5.4	6.6	0.8	7.2	20.0
Other additions	0.2	0.1	0.1	0.8	1.2
Exchange differences	0.1	0.3	—	0.3	0.7
<b>At 30 June 2022</b>	<b>5.7</b>	<b>7.0</b>	<b>0.9</b>	<b>8.3</b>	<b>21.9</b>
Other additions	0.4	1.8	0.2	3.0	5.4
Reclassification	—	1.2	—	(1.2)	—
Disposal of businesses	(0.8)	—	(0.8)	—	(1.6)
Exchange differences	(0.6)	(0.3)	(0.1)	(0.8)	(1.8)
<b>At 30 June 2023</b>	<b>4.7</b>	<b>9.7</b>	<b>0.2</b>	<b>9.3</b>	<b>23.9</b>
<b>Accumulated depreciation</b>					
Charge for the period	0.1	0.3	—	0.7	1.1
Exchange differences	—	—	—	0.1	0.1
<b>At 30 June 2022</b>	<b>0.1</b>	<b>0.3</b>	<b>—</b>	<b>0.8</b>	<b>1.2</b>
Charge for the period	0.3	1.5	0.1	1.8	3.7
Disposal of businesses	(0.1)	—	(0.1)	—	(0.2)
Exchange differences	(0.1)	(0.2)	—	(0.6)	(0.9)
<b>At 30 June 2023</b>	<b>0.2</b>	<b>1.6</b>	<b>—</b>	<b>2.0</b>	<b>3.8</b>
<b>Net book value</b>					
<b>At 30 June 2023</b>	<b>4.5</b>	<b>8.1</b>	<b>0.2</b>	<b>7.3</b>	<b>20.1</b>
<b>At 30 June 2022</b>	<b>5.6</b>	<b>6.7</b>	<b>0.9</b>	<b>7.5</b>	<b>20.7</b>

### 13. RIGHT-OF-USE ASSETS

(In £m)	Land and buildings	Plant and machinery	Total
<b>Cost</b>			
Acquired through business combinations	18.2	3.2	21.4
Exchange differences	0.5	0.1	0.6
<b>At 30 June 2022</b>	<b>18.7</b>	<b>3.3</b>	<b>22.0</b>
Other additions	3.8	0.9	4.7
Disposal of businesses	(0.4)	(0.1)	(0.5)
Exchange differences	(0.4)	-	(0.4)
<b>At 30 June 2023</b>	<b>21.7</b>	<b>4.1</b>	<b>25.8</b>
<b>Accumulated depreciation</b>			
Charge for the period	0.8	0.2	1.0
Exchange differences	-	0.1	0.1
<b>At 30 June 2022</b>	<b>0.8</b>	<b>0.3</b>	<b>1.1</b>
Charge for the period	3.4	1.1	4.5
Disposal of businesses	(0.2)	-	(0.2)
Exchange differences	(0.1)	(0.1)	(0.2)
<b>At 30 June 2023</b>	<b>3.9</b>	<b>1.3</b>	<b>5.2</b>
<b>Net book value</b>			
<b>At 30 June 2023</b>	<b>17.8</b>	<b>2.8</b>	<b>20.6</b>
<b>At 30 June 2022</b>	<b>17.9</b>	<b>3.0</b>	<b>20.9</b>

### 14. INVENTORIES

(In £m)	2023	2022
Raw materials and consumables	8.2	19.6
Work in progress	0.1	0.9
Finished goods and goods for resale	58.2	60.0
	<b>66.5</b>	<b>80.5</b>

The cost of inventories recognised as an expense and included in cost of sales amounted to £279.2m (of which, £5.8m was in relation to discontinued operations) (2022: £108.6m (of which, £3.5m was in relation to discontinued operations)), including £11.1m (2022: £nil) write down of stock to net realisable value.

During the year cost of inventories of £12.7m (of which, £6.6m was in relation to discontinued operations) (2022: £21.9m (of which, £4m was in relation to discontinued operations)) relating to the unwind of the fair value adjustment recognised as part of business combination accounting in the prior year was recognised in non-underlying costs (see note 8 for further detail).

During the year due to a change in strategy, a one-off stock provision of £0.8m was recognised in relation to Imukin inventories which are now considered obsolete based on revised future sales projections as well as a £1.1m onerous provision for future committed supplies.

## 15. TRADE AND OTHER RECEIVABLES

(In £m)	2023	2022
Trade receivables	94.5	99.8
Less: provision for impairment of trade receivables	(1.8)	(1.1)
Trade receivables – net	92.7	98.7
Prepayments	4.0	13.9
Accrued income	9.3	11.0
Receivable from related party	3.0	-
Other receivables	10.0	9.8
<b>Total trade and other receivables</b>	<b>119.0</b>	<b>133.4</b>

The Group applies the simplified approach under IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The expected loss rates are based on payment profiles and historic credit losses. The historic loss rates are adjusted to reflect current and forward looking information on macro-economic factors to the extent they are relevant to the customers' ability to settle. Due to the short-term nature of trade and other receivables, the book value approximates to their fair value save for where specific provision for impairment has been made.

The following table provides information on the movement in the provision for impairment in the period:

(In £m)		
At 1 July 2022 / Incorporation 18 November 2021	1.1	-
Acquired in business combinations	-	0.9
Released to the income statement	(0.6)	(0.3)
Charged to the income statement	1.8	0.5
Provision utilised for debts written off	(0.5)	-
<b>At 30 June 2023 / 30 June 2022</b>	<b>1.8</b>	<b>1.1</b>

The ageing analysis of the gross trade receivables balances and provisions including loss allowances is as follows:

	2023		2022	
(In £m)	Gross	Provisions	Gross	Provisions
Not past due	67.1	0.2	57.3	0.1
Up to 3 months past due	17.6	0.1	31.9	0.3
3 to 6 months past due	6.8	0.7	5.7	0.2
More than 6 months past due	3.0	0.8	4.9	0.5
	<b>94.5</b>	<b>1.8</b>	<b>99.8</b>	<b>1.1</b>

## 16. CASH AND CASH EQUIVALENTS

(In £m)	2023	2022
Cash at bank and in hand	98.5	110.5

Due to the short-term nature of cash at bank and short-term deposits, the carrying value approximates to their fair value.

## 17. TRADE AND OTHER PAYABLES

	2023	2022
(In £m)	Current	Non-current
Trade payables	52.1	84.9
Tax and social security	2.3	3.2
Other payables	2.8	1.1
Accruals and deferred income	56.0	75.4
Acquisition-related contingent liabilities	1.4	0.8
	114.6	164.6

The acquisition-related contingent liabilities include a contingent consideration liability of £0.9m (2022: £0.8m) and £0.5m (2022: £nil) in relation to accrued employee benefits payable to senior managers of Drug Safety Navigator, Inc., which was acquired during the year, subject to their continued employment.

The contingent consideration liability of £0.9m (2022: £0.8m) represents a payment due in calendar year 2024 relating to an acquisition made by Clinigen Limited in a prior year which has been assumed by the Group on acquisition. This liability remains unchanged following a review of the estimate of the likely payment. The liability was discounted at a rate of 10%. A 100bps change in the discount rate would change the fair value by £0.1m, and a 10% change in the expected value of the EBITDA in the earn out period would change the fair value by £0.5m.

Due to the short-term nature of current trade and other payables, the fair value approximates to their book value. Creditors are unsecured.

## 18. PROVISIONS

(In £m)	2023	2022
At 1 July	-	-
Charge in the year	6.6	-
At 30 June	6.6	-

The provisions recognised in the year are in relation to onerous contracts for the purchase of stock within the next 12 months.

£5.5m was recognised in relation to the disposal of Proleukin, with the Group left with an onerous contract for the purchase of unusable stock. This is expected to be paid in the first half of the financial year to 30 June 2024, with no significant uncertainties as to the timing or amount due. £1.1m arises with management's decision to change strategy for Imukin and is expected to be paid during the financial year to 30 June 2024. There is some uncertainty on the timing of payments.

There is no possibility of any reimbursement for any amounts.

## 19. BORROWINGS AND LEASE LIABILITIES

At 30 June 2023 the Group's borrowing facility comprised €735m (2022: €735m) Euro denominated debt with access to an undrawn £75m (2022: £75m) sterling revolving credit facility. The applicable interest rate on amounts drawn is 4.75% plus EURIBOR. From August 2022 a floating to fixed interest rate swap is in place over 75% of the debt principal. A second lien term loan of £140m (2022: £140m) with an interest rate of 8.25% plus SONIA was repaid in full in May 2023. No covenant testing is required unless the RCF is drawn.

The book value of loans and borrowings at 30 June 2023 were as follows:

(In £m)	2023	2022
Bank borrowings	618.8	751.8
Loans with related parties	-	12.3
Lease guarantee provided to non-related party	0.9	0.9
Lease liabilities	21.1	21.3
Total borrowings and lease liabilities	640.8	786.3

### Maturity of borrowings and lease liabilities

The maturity profile of the carrying amount of the Group's borrowings and lease liabilities at the year-end was as follows:

(In £m)	2023			2022		
	Gross borrowings	Unamortised issue costs	Net borrowings	Gross borrowings	Unamortised issue costs	Net borrowings
Within 1 year	4.5	-	4.5	16.9	-	16.9
In more than 1 year but less than 2 years	3.9	-	3.9	4.1	-	4.1
In more than 2 years but less than 5 years	6.3	-	6.3	7.2	-	7.2
In more than 5 years	639.1	(13.0)	626.1	778.8	(20.7)	758.1
	653.8	(13.0)	640.8	807.0	(20.7)	786.3

### Fair value of borrowings

The fair values of the Group's borrowings are the same as the carrying amount and are within Level 3 of the fair value hierarchy.

### Reconciliation of movements in net debt

(In £m)	Loan from related party	Bank borrowings	Financial guarantee	Lease liabilities	Unamortised issue costs	Total borrowings	Receivable from related party	Cash and cash equivalents	Net debt
At 1 July 2022	12.3	772.5	0.9	21.3	(20.7)	786.3	-	(110.5)	675.8
Cash flow before borrowings	-	-	-	-	-	-	-	(151.8)	(151.8)
New borrowings	-	-	-	4.2	-	4.2	-	-	4.2
Repayments of borrowings	(15.3)	(142.5)	-	(3.9)	-	(161.7)	-	161.7	-
Disposal of borrowings	-	-	-	(0.3)	-	(0.3)	-	-	(0.3)
Amortisation of issue costs	-	-	-	-	7.7	7.7	-	-	7.7
Reclassification	3.0	-	-	-	-	3.0	(3.0)	-	-
Exchange differences	-	1.8	-	(0.2)	-	1.6	-	2.1	3.7
At 30 June 2023	-	631.8	0.9	21.1	(13.0)	640.8	(3.0)	(98.5)	539.3

## 19. BORROWINGS AND LEASE LIABILITIES (continued)

### Reconciliation of movements in net debt (continued)

(In £m)	Loan from related party	Bank borrowings	Financial guarantee	Lease liabilities	Unamortised issue costs	Total borrowings	Cash and cash equivalents	Net debt
Acquisition of subsidiaries	-	391.8	0.9	21.4	(1.0)	413.1	(92.3)	320.8
Cash flow before borrowings	-	-	-	-	-	-	(43.1)	(43.1)
Proceeds from borrowings	11.9	750.0	-	-	(21.2)	740.7	-	740.7
Repayments of borrowings	-	(391.3)	-	(1.0)	-	(392.3)	25.9	(366.4)
Non-cash release of issue cost on repaid facility	-	-	-	-	1.0	1.0	-	1.0
Amortisation of facility issue costs	-	-	-	-	0.5	0.5	-	0.5
Exchange differences	0.4	22.0	-	0.9	-	23.3	(1.0)	22.3
<b>At 30 June 2022</b>	<b>12.3</b>	<b>772.5</b>	<b>0.9</b>	<b>21.3</b>	<b>(20.7)</b>	<b>786.3</b>	<b>(110.5)</b>	<b>675.8</b>

Total borrowings represent liabilities arising from financing activities.

### Leases

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of three to ten years but in the case of property, they often have extension options some of which would be exercised. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. At 30 June 2023 the Group had right-of-use assets of £20.6m (2022: £20.9m) and lease liabilities of £21.1m (2022: £21.3m).

There were no material short-term or low value leases nor outstanding commitments for short term or low value leases at 30 June 2023. The total cash outflow in respect of lease liabilities during the period including interest and capital payments was £4.9m (2022: £1.2m).

## 20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Group is exposed through its operations to the following financial risks:

- credit risk;
- foreign exchange risk
- liquidity risk; and
- interest rate risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

### Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables;
- loans and borrowings; and
- derivative financial instruments.

The Group does not issue or use derivative financial instruments of a speculative nature.

## 20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

A summary of the financial instruments held by category is provided below:

(In £m)	2023	2022
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	98.5	110.5
Trade and other receivables	115.0	116.2
<b>Financial assets measured at fair value through profit or loss</b>		
Interest rate swap asset	14.8	-
Deferred consideration receivable	205.7	1.2
<b>Total financial assets</b>	<b>434.0</b>	<b>227.9</b>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	110.9	158.4
Borrowings and lease liabilities	640.8	785.4
<b>Derivatives used for hedging</b>		
Derivative financial instruments	0.2	0.2
<b>Financial liabilities measured at fair value through profit or loss</b>		
Deferred consideration	0.9	0.8
<b>Total financial liabilities</b>	<b>752.8</b>	<b>944.8</b>

### Risk management

The Directors aim to reduce exposure to currency fluctuation using bank accounts denominated in the principal foreign currencies for payments and receipts. The Group seeks to optimise the matching of currency surpluses generated to the foreign currency needs of the wider Group, and where there is a sufficient visibility of currency needs. Hedging is in place for foreign exchange to help mitigate volatility and aid margin management. The Group does not issue or use financial instruments of a speculative nature and the Group's treasury function does not act as a profit centre.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales to customers. It is Group policy, implemented locally, to assess the credit risk of new customers by obtaining credit ratings before entering contracts or offering credit terms. The credit terms are then continually assessed on an individual basis, and amended accordingly, as trading history is developed with the customer.

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below. Further disclosures regarding trade and other receivables at the end of the financial period, are provided in note 15.

(In £m)	2023	2022
<b>Financial assets – maximum exposure</b>		
Cash and cash equivalents	98.5	110.5
Trade and other receivables	115.0	116.2
Interest rate swap asset	14.8	-
Deferred consideration receivable	205.7	1.2
<b>Total financial assets</b>	<b>434.0</b>	<b>227.9</b>

### Foreign exchange risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the functional currency in which the Group companies are operating. The Group's overseas subsidiaries contribute approximately 47% (2022: 42%) to the Group's revenue, all of which is transacted in non-sterling currencies. The overseas subsidiaries operate separate bank accounts, which are used solely for that subsidiary, thus managing the currency in that country. The Group's net assets arising from such overseas operations are exposed to currency risk resulting in gains or losses on retranslation into sterling.

## 20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

### Foreign exchange risk (continued)

Foreign exchange risk also arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group hedges currency transactions internally through currency bank accounts and by managing Group-wide currency requirements centrally. This reduces the currency risk exposure and allows retranslation of these balances into sterling to be planned in order to minimise the exposure to foreign exchange rate fluctuations. The Group uses forward contracts on large transactions where there is adequate visibility and the contract is not naturally hedged. This reduces the risk to fluctuating foreign exchange rates and permits the management better visibility and certainty of gross profit margins.

Forward exchange contracts are formally designated as hedges and hedge accounting is applied to the extent that the relationship between the hedged items and the hedging instrument allows it. Derivative financial instruments are carried at fair value. The mark-to-market valuation at the reporting date has been recognised in the balance sheet as a financial instrument asset or liability as appropriate.

At 30 June 2023 the Group had one (2022: one) material forward exchange contract in place. The notional principal amount of the outstanding forward foreign exchange contract at 30 June 2023 was US\$1.0m (2022: US\$2.5m) with maturity in July 2023. The foreign currency forward contract is denominated in the same currency as the highly probable hedged transaction, therefore the hedge ratio is 1:1. The weighted average hedged rate for the period was US\$1.19:£1 (2022: US\$1.35:£1).

The valuation of financial instruments at the reporting date is impacted by the foreign exchange rate at that date, primarily in respect of the US dollar and euro. At 30 June 2023, if sterling had weakened/strengthened by 10% (2022: 10%) against both the US dollar and euro with all variables held constant, profit for the period would have been £1.9m (2022: £6.6m) higher/lower as a result of foreign exchange gains/losses on translation of US dollar/euro trade receivables, cash and cash equivalents, and trade payables. The figure of 10% used for sensitivity analysis has been chosen because it represents a range of reasonable fluctuations in exchange rates.

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The Board receives cash flow projections based on working capital modelling, as well as information regarding cash balances and net debt monthly. At the end of the financial period, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

(In £m)	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
<b>At 30 June 2023</b>					
Trade and other payables	110.9	0.9	-	-	-
Lease liabilities	1.1	3.4	3.9	7.4	8.7
Borrowings	11.3	34.0	45.3	153.1	673.7
<b>At 30 June 2022</b>					
Trade and other payables	158.4	-	0.8	-	-
Lease liabilities	1.2	3.4	4.4	8.4	8.4
Borrowings	11.3	45.5	44.2	132.6	864.5

## 20. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

### Valuation hierarchy

The table below shows the financial instruments carried at fair value by valuation method:

(In £m)	2023 Level 1	2023 Level 2	2023 Level 3	2022 Level 1	2022 Level 2	2022 Level 3
<b>Assets/(liabilities)</b>						
Contingent consideration receivable	-	-	205.7	-	-	1.2
<b>Derivative financial instruments</b>						
Interest rate swap	-	14.8	-	-	-	-
Forward foreign exchange contracts	-	(0.2)	-	-	(0.2)	-
Acquisition related contingent payments	-	-	(1.4)	-	-	(0.8)

The Level 2 forward foreign exchange contracts and interest rate swap valuations are derived from mark-to-market valuations as at 30 June 2023. Fair value gains of £14.8m (2022: £nil) relating to the movement in fair value of interest swap derivatives have been recognised in underlying interest income. The level 3 contingent consideration receivable is the discounted amount receivable in respect of the Proleukin milestone payment and perpetual sales-related consideration payment as detailed in the key estimates disclosure within note 2. The level 3 acquisition-related contingent liability is the discounted amount payable in respect of the iQone and DSN acquisitions. The amounts payable have been calculated based on the latest forecast of earnings during the respective earn-out periods for iQone and the passage of time and likely payment for DSN.

### Capital management

The Group monitors 'adjusted capital' which comprises all components of equity (i.e. share capital, share premium account, foreign exchange reserve, hedging reserve and accumulated losses) as disclosed in the statement of changes in equity and long-term debt as detailed in note 19.

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to ensure the Group has the cash available to develop the products and services provided by the Group in order to provide an adequate return to shareholders.

Pricing, sale and acquisition decisions are made by assessing the level of risk in relation to the expected return.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Net debt is calculated as total borrowings less related party loan receivable and cash and cash equivalents (as detailed in note 19).

### Interest rate risk

The Group is exposed to interest rate risk on its €735m Euro denominated debt on which interest is payable based on the Euro Interbank Offered Rate ('EURIBOR'). During the year the Group entered into a three-year interest rate swap, swapping floating interest to fixed interest payable on €551m principal, expiring Aug 2025, with a fixed average rate of 2.1%. The fair value of the interest rate swap derivative is an asset of £14.8m at 30 June 2023. Movements in the fair value of the swap derivative are recognised within finance income or costs in the Income Statement.

## 21. DEFERRED INCOME TAX

Deferred tax assets and liabilities are analysed after offset, to the extent there is a legally enforceable right, of balances within jurisdictions as follows:

(In £m)	2023	2022
Deferred tax assets	0.1	1.5
<b>Deferred tax liabilities:</b>		
Deferred tax liabilities to be settled after more than 12 months	(118.2)	(198.8)
Deferred tax liabilities within 12 months	(10.3)	(11.1)
	<b>(128.5)</b>	<b>(209.9)</b>

## 21. DEFERRED INCOME TAX (continued)

The movement on the deferred income tax account is as shown below:

	Balance at 1 July 2022	Recognised in income statement	Recognised in equity	Acquisition of business	Disposal of businesses	Foreign Exchange Adjustments	Balance at 30 June 2023	Deferred asset / liability prior to any allowable jurisdictional offsetting*		
(In £m)								Deferred tax assets	Deferred tax liabilities	Net deferred tax liabilities
Intangible assets	(218.7)	13.0	-	-	52.8	5.1	(147.8)	-	(147.8)	(147.8)
Property, plant and equipment	0.9	(1.7)	-	-	-	-	(0.8)	-	(0.8)	(0.8)
Inventories	1.7	(1.0)	-	-	-	-	0.7	0.7	-	0.7
Leases	-	0.1	-	-	-	-	0.1	0.1	-	0.1
R&D tax credits	(2.3)	1.3	-	-	-	-	(1.0)	-	(1.0)	(1.0)
Losses	5.1	2.2	0.5	-	-	(0.3)	7.5	7.5	-	7.5
Provisions	3.4	(1.0)	-	-	-	(0.2)	2.2	2.2	-	2.2
Unremitted earnings	(0.9)	(0.1)	-	-	-	-	(1.0)	-	(1.0)	(1.0)
Corporate interest restriction	2.4	9.3	-	-	-	-	11.7	11.7	-	11.7
	(208.4)	22.1	0.5	-	52.8	4.6	(128.4)	22.2	(150.6)	(128.4)

\*The deferred tax assets and liabilities disclosed earlier in the note are shown after allowable jurisdictional offsetting.

	Acquired in business combinations	Recognised in income statement	Foreign Exchange Adjustments	Balance at 30 June 2022	Deferred tax assets	Deferred tax liabilities	Net deferred tax liabilities
(In £m)							
Intangible assets	(216.8)	3.4	(5.3)	(218.7)	-	(218.7)	(218.7)
Property, plant and equipment	0.8	-	0.1	0.9	0.9	-	0.9
Inventories	(3.5)	5.0	0.2	1.7	4.9	(3.2)	1.7
R&D tax credits	(2.2)	(0.2)	0.1	(2.3)	-	(2.3)	(2.3)
Losses	4.9	0.1	0.1	5.1	5.1	-	5.1
US chargebacks accrual	3.1	0.3	-	3.4	3.4	-	3.4
Unremitted earnings	-	(0.9)	-	(0.9)	-	(0.9)	(0.9)
Corporate interest restriction	1.4	1.0	-	2.4	2.4	-	2.4
Jurisdictional offset	-	-	-	-	(15.2)	15.2	-
	(212.3)	8.7	(4.8)	(208.4)	1.5	(209.9)	(208.4)

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax is calculated in full on temporary differences under the liability method using the enacted tax rate for the period when the temporary difference is expected to reverse.

The Group has not recognised a deferred income tax asset of £0.2m (2022: £0.2m) in respect of £1.3m (2022: £1.3m) of losses within Clinigen Healthcare Switzerland on the basis these may not be utilised before their expiry in 2024.

## 21. DEFERRED INCOME TAX (continued)

The group has suffered UK interest expense in excess of its interest capacity for the year. The excess interest expense is carried forward indefinitely and is available to shelter future UK taxable income, subject to the interest limitation of 30% of taxable EBITDA. A deferred tax asset is recognised on the basis that the UK group of companies will generate sufficient taxable profits against which this temporary difference will reverse.

At 30 June 2023 £0.9m (2022: £0.9m) of deferred tax liability was recognised in respect of unremitted earnings relating to non-UK subsidiaries in Australia and South Africa where it is probable the Group will repatriate accumulated earnings. No deferred tax liabilities have been recognised in respect of undistributed earnings of other non-UK subsidiaries amounting to £3.8m (2022: £2.0m) because the group is in a position to control the timing of any dividends from these subsidiaries and hence any tax consequences that may arise, and it is probable that the repatriation of the accumulated earnings of these foreign subsidiaries is not expected to take place in the foreseeable future.

## 22. SHARE CAPITAL

	Number of shares (m)	
Issued and fully paid (ordinary shares of £0.01 each)	2023	2022
At 1 July / incorporation	9,110	-
Issue of new shares	-	9,110
<b>At 30 June</b>	<b>9,110</b>	<b>9,110</b>
<hr/>		
(In £m)	2023	2022
<b>Ordinary shares of £0.01 each</b>	<b>91.1</b>	<b>91.1</b>

The Company does not have a limited amount of authorised share capital. The ordinary shares entitle the holder to participate in dividends as declared from time to time and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held. Every holder is entitled to vote with each share entitled to one vote. The shares are not redeemable.

## 23. RESERVES

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium account	Amount subscribed for share capital in excess of nominal value
Hedging reserve	Gains/losses arising on cash flow hedges.
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations into sterling.
Accumulated losses	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

## 24. CAPITAL COMMITMENTS

At 30 June 2023, the Group had capital commitments of £3.0m (2022: £0.1m).

## 25. POST-EMPLOYMENT BENEFITS

The Group operates a defined contribution pension scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Pension costs represent the contributions payable by the Group to the funds and amounted to £2.0m (2022: £0.5m) from continuing operations.

## 26. RELATED PARTY TRANSACTIONS

### Ultimate controlling party

The Company's immediate parent undertaking is Triley Holdco Limited a company incorporated in Jersey. The Group's ultimate parent undertaking is Triton Fund V which is managed and controlled by its general partners Triton Managers V Limited, TFF V Limited and Triton Fund V GP S.a.r.l. The ultimate controlling party is considered to be the directors of Triton Managers V Limited and TFF V Limited.

## 26. RELATED PARTY TRANSACTIONS (continued)

### Compensation of Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. This is considered to be the directors and members of the Group's Executive Management Team. Key management compensation comprising wages, salaries and benefits was £2.2m (2022 3 months: £0.5m).

### Transactions with related parties

Novagen Pharma Pty Limited ('Novagen') is an associate in which the Group has a 45% interest. During the period the Group charged distribution fees of £0.3m (2022: £0.1m) to Novagen, and recharged costs of £0.5m (2022: £0.1m) for goods and services provided. At 30 June 2023, the Group had £0.2m (2022: £0.1m) receivable owing from Novagen.

Bridge financing of €17.9m was provided to the Group by Triton Masterluxco 5 SARL, a parent company, ahead of the acquisition of Clinigen Limited (previously known as Clinigen Group plc) and a payable was recognised by the Group. This amount was fully repaid in September 2022.

A loan of £3.0m is outstanding from Triton V LuxCo 76 SARL, a parent company which is due on demand.

At 30 June 2023 an accrual of €4,561,000 (2022: €4,405,000) was in relation to acquisition and related costs from Triton Investment Advisors LLP.

There were no other transactions with related parties during the period.

### Subsidiary Undertakings

The subsidiaries (direct and indirect) of Triley Midco Limited as at 30 June 2023 were as follows:

Name	Nature of business	Country of incorporation
Clinigen Limited*	Holding company	UK <sup>1</sup>
Clinigen Holdings Limited *	Holding company	UK <sup>1</sup>
Clinigen International Holdings Limited *	Holding company	UK <sup>1</sup>
Clinigen Healthcare Limited *	Supply of pharmaceutical products and services	UK <sup>1</sup>
Colonis Pharma Limited *	Development of pharmaceutical and related products	UK <sup>2</sup>
Clinigen, Inc.	Supply of pharmaceutical products and services	US <sup>1</sup>
Clinigen Ireland Limited	Manufacture and supply of pharmaceutical products	Ireland
Clinigen Branded Products Limited *	Supply of pharmaceutical products	UK <sup>1</sup>
Clinigen Healthcare B.V.	Holding company	Netherlands
Clinigen Clinical Trials Limited	Dormant	UK <sup>1</sup>
Clinigen Pharma Limited *	Holding company	UK <sup>1</sup>
Clinigen GAP Limited	Dormant	UK <sup>1</sup>
Clinigen CTS Limited	Dormant	UK <sup>1</sup>
Clinigen Consulting Limited	Dormant	UK <sup>1</sup>
Keats Healthcare Limited	Dormant	UK <sup>1</sup>
Idis Group Holdings Limited *	Dormant	UK <sup>1</sup>
Idis Group Limited *	Dormant	UK <sup>1</sup>
Idis Limited *	Dormant	UK <sup>1</sup>
Idis MA Limited	Dormant	UK <sup>1</sup>
Idis GA Limited	Dormant	UK <sup>1</sup>
Idis Pharma Limited	Dormant	UK <sup>1</sup>

## 26. RELATED PARTY TRANSACTIONS (continued)

Name	Nature of business	Country of incorporation
Clinigen Asia Pte. Limited	Holding company	Singapore
Link Healthcare Singapore Pte. Limited	Supply and distribution of pharmaceutical products	Singapore
Link Healthcare KK	Supply and distribution of pharmaceutical products	Japan
Clinigen KK	Supply and distribution of pharmaceutical products	Japan
International Medical Management Corporation KK	Supply and distribution of pharmaceutical products	Japan
Link Healthcare Sdn Bhd	Supply and distribution of pharmaceutical products	Malaysia
Clinigen Korea, LLC	Supply and distribution of pharmaceutical products	Korea
Link Healthcare Hong Kong Limited	Supply and distribution of pharmaceutical products	Hong Kong
Link Medical Products (Pty) Limited	Supply and distribution of pharmaceutical products	Australia
Link Pharmaceuticals Limited	Supply and distribution of pharmaceutical products	New Zealand
Clinigen South Africa (Pty) Limited	Holding company	South Africa
Homemed Pty Limited	Supply and distribution of medical devices	South Africa
Equity Pharmaceuticals (Pty) Limited	Supply and distribution of pharmaceutical products	South Africa
Equity Medical Technologies (Pty) Limited	Supply and distribution of medical devices	South Africa
Equipharma Specialised Distribution (Pty) Limited	Distribution of medical products and devices	South Africa
Clinigen Kenya Limited	Supply and distribution of pharmaceutical products	Kenya
Link Healthcare (Pty) Limited	Holding company	Australia
Link Holding 1 (Pty) Limited	Holding company	Australia
Link Holding 2 (Pty) Limited	Holding company	Australia
PMIP (Pty) Limited	Dormant	Australia
Plurilinx (Pty) Limited	Dormant	South Africa
Chloromix (Pty) Limited	Holding company	South Africa
Quantum Pharma Holdings Limited *	Holding company	UK <sup>2</sup>
Quantum Pharma 2014 Limited *	Holding company	UK <sup>2</sup>
Quantum Pharma Group Limited *	Holding company	UK <sup>2</sup>
U L Medicines Limited *	Dormant	UK <sup>2</sup>
Protomed Limited	In liquidation	UK <sup>3</sup>
Lamda Pharma Limited *	Holding company	UK <sup>2</sup>
Lamda (UK) Limited *	Supply of pharmaceutical products	UK <sup>2</sup>
Quantum Specials Trustee Limited	Dormant	UK <sup>2</sup>
NuPharm Group Limited	Dormant	UK <sup>2</sup>
Clinigen Clinical Supplies Management Parent, Inc.	Holding company	US <sup>1</sup>
Clinigen Clinical Supplies Management, Inc.	Provision of clinical packaging, labelling, warehousing, and distribution services	US <sup>1</sup>
Clinigen Clinical Supplies Management Holdings LLC	Holding company	US <sup>1</sup>

## 26. RELATED PARTY TRANSACTIONS (continued)

### Subsidiaries (continued)

Name	Nature of business	Country of incorporation
Clinigen Clinical Supplies Management SA	Provision of clinical packaging, labelling, warehousing, and distribution services	Belgium
Clinigen Clinical Supplies Management GmbH	Provision of clinical packaging, labelling, warehousing, and distribution services	Germany
Clinigen Clinical Supplies Management Belgium SRL	Holding company	Belgium
Clinigen Biological Sample Management, Inc.	Provision of clinical packaging, labelling, warehousing, and distribution services	US <sup>2</sup>
Clinigen Healthcare Holding (Switzerland) SA	Provision of medical information services	Switzerland
Clinigen Healthcare Switzerland Sarl	Provision of medical information services	Switzerland
Clinigen Healthcare France S.A.S.	Provision of pharmaceutical services	France
Clinigen Healthcare Germany GmbH	Provision of medical information services	Germany
Clinigen Healthcare Italy Srl	Provision of medical information services	Italy
Clinigen Healthcare Spain S.L.	Provision of medical information services	Spain
Drug safety Navigator LLC	Provision of pharmaceutical services	US <sup>1</sup>
Triley Midco 2 Limited*	Holding company	UK <sup>1</sup>
Triley Bidco Limited*	Holding company	UK <sup>1</sup>

Country	Registered office
UK <sup>1</sup>	Pitcairn House, Crown Square, Centrum 100, Burton-on-Trent, Staffordshire, DE14 2WW
UK <sup>2</sup>	25 Bedford Square, Bloomsbury, London, WC1B 3HH
UK <sup>3</sup>	Bulman House, Regent Centre, Gosforth, Newcastle Upon Tyne, NE3 3LS
US <sup>1</sup>	Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808
US <sup>2</sup>	300 Technology Drive, Malvern, Pennsylvania 19355
Singapore	9 Raffles Place, #27-00, Republic Plaza, Singapore, 048619
Japan	1-16-3, Nihonbashi, Chuo-Ku, Tokyo, 103-0027
Malaysia	Upper Penthouse, Wisma RKT, No 2, Jalan Raja Abdullah, Off Jalan Sultan Ismail, 50300 Kuala Lumpur
Hong Kong	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay
Korea	#606, Daeryungtechno town 19th, 70, Gasan digital 2-ro, Geumcheon-gu, Seoul, Korea 08589
Australia	5 Apollo Street, Warriewood NSW 2102
New Zealand	RSM New Zealand, RSM House, Level 2, 62 Highbrook Drive, East Tamaki, Auckland, 2013
South Africa	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria
Netherlands	Schiphol Boulevard 359, 1118 BJ Amsterdam Schiphol
Belgium	Rue Granbonpré 11, 1435 Mont-Saint-Guibert
France	20 Avenue René, Cassin, 69009, Lyon
Germany	Am Kronberger Hang 3, 65824 Schwalbach a. Ts.
Italy	Viale Abruzzi, 94, 20131 Milan
Spain	Calle de Génova 27– 1 <sup>a</sup> , 28004, Madrid

## 26. RELATED PARTY TRANSACTIONS (continued)

Country	Registered office
Switzerland	Modulis Business Park, Route de Suisse 162, 1290 Versoix
Ireland	Mayfield Business Park, Lismore, County Waterford
Greece	59, Ioannou Metaxa str., 19441 Koropi
Kenya	Sameer Business Park, Mombasa Road, PO Box 10032 – 00100 – G.P.O Nairobi

\* The subsidiaries marked with an asterisk are companies which are incorporated in England and Wales, and are exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of section 479A of the Act.

All shareholdings in subsidiaries are owned 100% through the subsidiaries' ordinary share capital.

### Associates

Name	Year end	Country of incorporation and registered office	Measurement method	Ownership
Novagen Pharma Pty Limited	31 March	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria	Equity	45%
Novagen BBBEE Invest Co Pty Limited	31 March	100 Sovereign Drive, Route 21 Corporate Park, Nellmapius Drive, Irene 0157, Pretoria	Equity	24.5%

## 27. BUSINESS COMBINATIONS

### Current year acquisitions

On 25<sup>th</sup> November 2022, the Group acquired 100% of the share capital of Drug Safety Navigator LLC for US\$6m in cash, to enhance the Clinigen Group's service offering.

The provisional fair value of assets acquired and liabilities assumed on the acquisitions are as follows:

(In £m)	Total
Intangible assets:	
Customer and other relationships	0.4
<b>Intangible assets</b>	<b>0.4</b>
Trade and other receivables	0.4
Trade and other payables	(0.3)
<b>Total identifiable net assets</b>	<b>0.5</b>
Goodwill	4.7
<b>Total</b>	<b>5.2</b>
Satisfied by:	
Cash consideration paid	5.2
<b>Other information:</b>	
Revenue from date of acquisition	1.7
Loss before tax from date of acquisition	-
Pro forma revenue for the reported period ended 30 June 2023	2.8
Pro forma loss before tax for the reported period ended 30 June 2023	-

The goodwill arising in the period is deductible for tax purposes and represents the synergies, assembled workforces and future growth potential of the acquired businesses.

At the date of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of £0.6m were partly provided for, £0.4m of this was expected to be collected.

An earnout arrangement is in place for the sellers to earn up to US\$1.5m based on the performance of the business in the 12 months post-acquisition by the Group. It is expected that the target to trigger the payment will not be achieved and therefore no payment is expected under the arrangement.

## 27. BUSINESS COMBINATIONS (continued)

### Prior year acquisitions

On 4 April 2022, the Group acquired 100% of the issued share capital of Clinigen Limited (previously known as Clinigen Group plc), through a scheme of arrangement for total consideration of £1,257.6m settled entirely in cash which represented a value of 925 pence for each Clinigen share.

The fair value of assets acquired and liabilities assumed on the acquisition are as follows:

(In £m)	Total
<b>Intangible assets:</b>	
Brand	119.5
Contracts	104.5
Customer and other relationships	178.5
Trademarks and licences	553.0
Software	83.4
<b>Intangible assets</b>	<b>1,038.9</b>
Property, plant and equipment	20.0
Right-of-use assets	21.4
Deferred tax asset	8.7
Inventories	118.0
Trade and other receivables	140.7
Cash and cash equivalents	92.3
Trade and other payables	(160.6)
Borrowings	(391.7)
Lease liabilities	(21.5)
Corporation tax	(3.7)
Deferred tax liability	(221.0)
<b>Total identifiable net assets</b>	<b>641.5</b>
Goodwill	616.1
<b>Total</b>	<b>1,257.6</b>
<b>Satisfied by:</b>	
Cash consideration paid	1,257.6

These fair values are determined by using established estimation techniques such as discounted cash flow and option valuation models. Goodwill represents the synergies, assembled workforces and future growth potential of the acquired businesses. The goodwill arising in the period is not deductible for tax purposes.

## 28. DISPOSALS AND DISCONTINUED OPERATIONS

On 31 March 2023, the Group completed the divestment of Lamda Laboratories S.A. ('Lamda') to Adragos Pharma, and subsequently on 18 May 2023, the Group completed the divestment of Clinigen SP Limited and the Proleukin business ('Proleukin') to Iovance Biotherapeutics, Inc.

Additionally, a further four of the Group's owned products were sold in a separate transaction post year end to CNX Therapeutics Limited, on 10 August 2023. In accordance with IFRS 5, the assets and liabilities of the businesses at 30 June 2023 are classified as held for sale.

The results and cash flows of these businesses have been classified as discontinued. As a result of this classification, the comparatives in the statement of comprehensive income and statement of cash flows as well as the supporting notes have been re-presented to separate the results for discontinued operations in accordance with the requirements of IFRS 5.

### Results for discontinued operations

(In £m)	2023			2022		
	Underlying	Non-underlying	Total	Underlying	Non-underlying	Total
Revenue	45.5	-	45.5	5.2	-	5.2
Gross profit	39.1	(6.6)	32.5	1.7	(4.0)	(2.3)
Administrative expenses	(4.3)	-	(4.3)	(1.2)	-	(1.2)
EBITDA	34.8	(6.6)	28.2	0.5	(4.0)	(3.5)
Amortisation, impairment and depreciation	(0.2)	(27.4)	(27.6)	-	(7.9)	(7.9)
Finance costs	-	-	-	-	-	-
Profit / (loss) before tax	34.6	(34.0)	0.6	0.5	(11.9)	(11.4)
Income tax expense	(7.1)	7.7	0.6	(0.1)	2.2	2.1
<b>Profit / (loss) after tax</b>	<b>27.5</b>	<b>(26.3)</b>	<b>1.2</b>	<b>0.4</b>	<b>(9.7)</b>	<b>(9.3)</b>
Profit on disposal of discontinued operations	-	97.8	97.8	-	-	-
Costs on held for sale disposal group	-	(1.2)	(1.2)	-	-	-
<b>Profit / (loss) for the year from discontinued operations</b>	<b>27.5</b>	<b>70.3</b>	<b>97.8</b>	<b>0.4</b>	<b>(9.7)</b>	<b>(9.3)</b>

The amortisation and depreciation charge includes amortisation and impairment of acquired intangibles of £27.4m (2022: £5.5m).

### Cash flows for discontinued operations

(In £m)	2023	2022
Cash flows from operating activities	25.1	4.5
Cash flows used in investing activities	191.0	(0.6)
Cash flows used in financing activities	(0.1)	-
<b>Net cash flow from discontinued operations</b>	<b>216.0</b>	<b>3.9</b>

## 28. DISPOSALS AND DISCONTINUED OPERATIONS (continued)

### Profit on disposal

The Group recognised a total profit on disposal of £97.8m which is analysed as follows:

(In £m)	Proleukin	Lamda	Total
<b>Net assets disposed of (book value at date of disposal):</b>			
Goodwill	13.1	0.9	14.0
Other intangible assets	333.8	1.0	334.8
Property, plant and equipment	-	1.4	1.4
Right-of-use assets	-	0.3	0.3
Inventories	-	0.9	0.9
Trade and other receivables	-	2.4	2.4
Cash and cash equivalents	-	0.9	0.9
Trade and other payables	(0.3)	(2.1)	(2.4)
Corporation tax liabilities	-	(0.2)	(0.2)
Deferred tax liabilities	(52.8)	-	(52.8)
Lease liabilities	-	(0.3)	(0.3)
<b>Net assets disposed of</b>	<b>293.8</b>	<b>5.2</b>	<b>299.0</b>
<b>Consideration received:</b>			
Cash proceeds	166.9	26.0	192.9
Contingent consideration - milestone payment	41.7	-	41.7
Contingent consideration – perpetual sales-based payment	162.2	-	162.2
<b>Total net consideration</b>	<b>370.8</b>	<b>26.0</b>	<b>396.8</b>
<b>Profit on disposal before disposal costs and accounting adjustments</b>	<b>77.0</b>	<b>20.8</b>	<b>97.8</b>
Transaction costs	(6.0)	(1.5)	(7.5)
Liability retained by the group*	(9.7)	-	(9.7)
Cumulative current translation reserve release to income statement on disposal	15.4	0.2	15.6
<b>Profit on disposal before taxation</b>	<b>76.7</b>	<b>19.5</b>	<b>96.2</b>
Tax expense	1.9	(0.3)	1.6
<b>Profit on disposal</b>	<b>78.6</b>	<b>19.2</b>	<b>97.8</b>

\*The liability retained by the Group is made up from a £5.5m onerous supply contract resulting from the disposal, partly offset by the part release of an accrual for the supply of Proleukin to clinical trials. Proleukin inventory with a net book value of £4.6m has also been fully provided for, as well as the unwound element of FV uplift on inventory from acquisition (£0.4m).

Discontinued profit before tax is £95.6m: £95.0m (2022: nil) profit on disposal plus £0.6m profit (2022: loss of £11.4m) from operations. Discontinued tax is a credit of £2.2m: £1.6m tax credit on disposal plus £0.6m tax credit (2022: £2.1m tax credit) on operations. Profit after tax for discontinued operations is £97.8m: £96.6m on disposals and £1.2m profit (2022: £9.3m loss) from operations.

## 29. HELD FOR SALE ASSETS

The Clinigen Group entered into an agreement to divest of four Trademarks and licenses and the associated business with negotiations ongoing over the 30 June 2023 year end.

(In £m)	2023	2022
<b>Assets Classified as held for sale:</b>		
Trademarks and licences	24.6	-
	24.6	-

The assets held for sale are four of the Clinigen Group's long held established brand pharmaceuticals reported in the products division.

At year end there was an active sales process with the completion of the sale transaction on 10 August 2023.

An impairment of £4.3m was taken to bring the held for sales asset value equal to the fair value less future costs to sell the business.

## 30. POST BALANCE SHEET EVENTS

The Clinigen Group divested of four trademarks and licenses and the associated business to CNX Therapeutics Limited, on 10 August 2023 for cash consideration of £23.0m. Subject to the future performance of the business, there is performance related contingent consideration receivable up to an additional £3m.

On 31 October 2023 €50m of the Term Loan B was repaid.

## COMPANY BALANCE SHEET as at 30 June 2023

(In £m)	Note	2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	3	911.0	911.0
<b>Total non-current assets</b>		911.0	911.0
<b>Total assets</b>		911.0	911.0
<b>Net assets</b>		911.0	911.0
<b>Capital and reserves</b>			
Called up share capital	4	91.1	91.1
Share premium account		819.9	819.9
<b>Total equity</b>		911.0	911.0

The company had no income or expenditure for the current year or prior period.

The financial statements on pages 62 to 64 were approved by the Board of Directors on 21 February 2024 and were signed on its behalf by:



RJ PALING  
Director

## COMPANY STATEMENT OF CHANGES IN EQUITY for the year to 30 June 2023

(In £m)	Called up share capital (note 4)	Share premium account	Total equity
Issue of shares in the period to 30 June 2022	91.1	819.9	911.0
<b>Total transactions with owners of the Company, recognised directly in equity</b>	91.1	819.9	911.0
<b>At 30 June 2022 and 30 June 2023</b>	91.1	819.9	911.0

## NOTES TO THE COMPANY FINANCIAL STATEMENTS for the year to 30 June 2023

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements present information about Triley Midco Limited ('the Company') as a separate entity and not about its Group. The accounting policies, set out in the consolidated financial statements, unless otherwise stated have been applied consistently to the period presented in these Company financial statements.

#### Basis of preparation

The Company financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in sterling and all values are rounded to the nearest £100,000 except when otherwise stated.

Fees paid to PricewaterhouseCoopers LLP and its associates for audit and non-audit services to the Company itself are not disclosed in the individual financial statements of Triley Midco Limited because the Group financial statements are required to disclose such fees on a consolidated basis (see note 5.2 of the consolidated financial statements).

#### Investments

Investments in subsidiaries are recorded at historical cost, less any provision for impairment.

#### Exemptions

The Company has elected to apply the exemption in Section 408 of the Companies Act and has not presented its separate statement of comprehensive income and related notes. It has also taken advantage of the exemptions under FRS 101 not to disclose related party transactions entered into between two or more members of the Group and not to prepare a cash flow statement.

#### Critical accounting estimates and judgements

##### Functional currency of company

The functional currency of the Company was a judgement by management, who, on balance determined that the functional currency is Pound Sterling, on the basis that the primary economic environment of the Company is the UK and the purpose of the Company is as an intermediate holding company for the Clinigen Group.

### 2. STAFF COSTS AND DIRECTORS' REMUNERATION

The Company had no employees (2022: nil) during the period and accordingly no employee costs (2022: £nil) are included in these financial statements. Directors' remuneration is borne by Clinigen Limited, a subsidiary company.

### 3. INVESTMENTS

(In £m)	2023	2022
<b>Cost</b>		
<b>At 1 July / incorporation 18 November 2021</b>	<b>911.0</b>	<b>–</b>
Additions	–	911.0
<b>At 30 June 2023 / 30 June 2022</b>	<b>911.0</b>	<b>911.0</b>

In the period ended 30 June 2022, the Company acquired 100% of the issued share capital of Triley Midco 2 Limited, an intermediate holding company, incorporated in the UK for consideration of £910,989,111 settled entirely in cash

A full list of the Company's subsidiary undertakings and their registered addresses is presented in note 26 of the consolidated financial statements.

## 4. CALLED UP SHARE CAPITAL

	Number of shares (m)	
Issued and fully paid (ordinary shares of £0.01 each)		
Issue of new shares in the period to 30 June 2022		9,110
<b>At 30 June 2022 and 30 June 2023</b>		<b>9,110</b>
(In £m)	<b>2023</b>	2022
<b>Ordinary shares of £0.01 each</b>	<b>91.1</b>	91.1

The balance classified as equity share capital includes the total net proceeds (nominal value) on issue of the Company's equity share capital. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The shares are not redeemable.

## 5. RELATED PARTY TRANSACTIONS

The remuneration payable to the Directors of the Company is disclosed in note 2. There were no other transactions with related parties, other than the Company's subsidiaries.

The Company's subsidiaries and associates are listed in the related parties note of the consolidated financial statements (note 26).

## 6. CAPITAL COMMITMENTS

At 30 June 2023, the Company had no capital commitments (2022: £nil).

## 7. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Triley Holdco Limited, a company incorporated in Jersey. The ultimate parent undertaking is Triton Fund V which is managed and controlled by its general partners Triton Managers V Limited, TFF V Limited and Triton Fund V GP S.a.r.l. The ultimate controlling party is considered to be the directors of Triton Managers V Limited and TFF V Limited.

Triley Midco Limited, a company incorporated and registered in the United Kingdom, is the parent of the largest group of undertakings to consolidate these financial statements. The consolidated accounts of Triley Midco Limited will be lodged at UK Companies House.