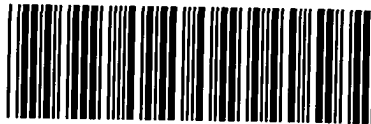

SHL GLOBAL HOLDINGS MIDCO LIMITED

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

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SHL GLOBAL HOLDINGS MIDCO LIMITED

COMPANY INFORMATION

Directors	Andrew James Bradshaw Michael Edmondson Paul John Greensmith (resigned 31 January 2023) Kerry Jenkins (appointed 13 March 2023) James John Moody (appointed 15 March 2022)
Registered number	12294275
Registered office	The Pavilion 1 Atwell Place Thames Ditton United Kingdom KT7 0NE
Independent auditors	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF

SHL GLOBAL HOLDINGS MIDCO LIMITED

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SHL GLOBAL HOLDINGS MIDCO LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

Introduction

The Directors present the Strategic Report for the period ended 31 December 2022.

SHL Global Holdings Midco Limited ("the Company") is a holding company wholly owned by SHL Global Holding 1 limited, and is a part of the group of companies trading as the SHL Group and headed by SHL Global Management Limited ("the SHL Group" or "the Group").

Business review

The Company is a holding company that holds investment in group companies and has listed debt. The company is part of the SHL Group ("SHL").

Founded in 1977 SHL is widely recognised as a leader in talent assessment solutions throughout the employee journey. SHL is truly global with 48 offices in 22 countries serving over 10,000 customers in 150+ countries.

Since its acquisition in April 2018 by Exponent, a UK based private equity firm, and a small number of other coinvestors, SHL's strategy, delivery and focus have been significantly refreshed in order to fully leverage SHL's best in class science and unrivalled data.

On 27 November 2019 SHL acquired Aspiring Minds. Aspiring Minds' ground breaking products, including coding, language and video interviewing powered by industry leading Artificial Intelligence (AI) have been integrated into SHL's global offering giving customers access to a unique product set.

2022 marked SHL fifth year as an independent organization. Over that period, SHL has transformed into a Human Capital Management (HCM) SaaS leader, evolving virtually every aspect of the business, from the solutions taken to market, how it sells, to how it deploys and prices the solutions.

2022 was a pivotal year with all the changes, fueled by the expertise and passion of people, coming together to deliver growth and achieve major milestones against SHL long-term strategy. Revenue increased year on year in all regions, the pipeline from Annual Recurring Revenue ('ARR') continued to grow (14%), and gross margin improved through continuation of the Transform strategy with focus on higher margin repeatable packaged solutions. SHL also agreed the sale of PDRI during the year.

It was also a year that SHL made significant investments in creating an environment for people to flourish and do their best work. SHL upgraded seven offices, introduced our new Ways of Working, and made deliberate decisions about inclusive talent practices.

SHL focus will be on accelerating growth and creating the best experience for its customers and people. SHL will do this by continuing to embed its Strategy and making use of the tools and processes that will help to evolve and work in more scalable, repeatable and profitable ways.

The Board tracks the following KPIs: Impairment and Recovery of Intercompany Debt. In 2022, the level of impairment recorded was £0 (2021: £0).

On 22 March 2023, the Group completed the disposal of Personnel Decisions Research Institutes, LLC (PDRI), to Pearson Plc, for total consideration of \$186.6m. PDRI is a trusted provider of assessment services to the US federal government, and the sale advanced SHL's strategy of focusing on repeatable packaged solutions for global commercial customers.

In April 2023, the Group has acquired longstanding third-party distributor, SHL Japan. This deal gives Group an unparalleled position in Asia, with leadership in the three key markets of Japan, India, and China. It also establishes SHL Group as the only provider of talent insight with scale and expertise across the US, EMEA, and APAC regions, supporting the needs of customers who are truly global.

SHL GLOBAL HOLDINGS MIDCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The Board regularly reviews the principal risks and uncertainties that face the business. The principal risks are:

Economic and Market risk – adverse global economic and business conditions can affect SHL Group performance and impact its customers' ability and willingness to invest in SHL Group products and services. SHL is focused on putting the customer first. Investment in the new commercial strategy has further enhanced our customer proposition, and was supported with a number of new products, processes and internal systems.

Covid19 – this pandemic has created lasting impacts on the financial and social fabric across the globe but especially in Asia in 2022. SHL Group strong focus continues to be the safety of customers, candidates, employees, contractors and other stakeholders, particularly in Asia, including by reactivating remote working protocols where needed. SHL Group also continues to address customer needs from the global trend towards hybrid working through the development of its products.

Inflation - during 2022, inflation rates across the globe rose significantly, driven by global supply chain tightening, post-Covid consumer demand rebound, and the conflict in Ukraine. This led to a series of interest rate increases in major markets. SHL Group managed cost inflation through a mix of commercial inflationary price increases, continued movement from lower to higher margin sales, and cost management.

Exposure to interest rate increases was managed through existing interest rate hedging arrangements.

Data security – SHL Group holds sensitive data around the world, the management of which is subject to contractual and legislative oversight to varying degrees in the countries in which it operates. Data security is taken very seriously and SHL Group has robust processes and controls in place over the access, storage and movement of data, including third party verification and testing. The Directors are satisfied that the Group's data security is appropriately managed.

People – SHL Group is a people business and relies upon the quality of its team. Its people strategy centres around seeking out and engaging with a diverse range of individuals to create an inclusive culture that attracts and retains a talented and agile workforce through the provision of competitive compensation, flexible ways of working, training, and great facilities.

Financial risk – Due to SHL Group financial arrangements, the financial risk of the Company is intrinsically linked to the financial risk of the group which is described below.

The Group carries third party debt. This has been structured on a basis that mitigates the risk of non performance and facilities being withdrawn. The Company is funded by intercompany loan and loan notes listed on The International Stock Exchange (TISE). £19,300,000 loan notes were admitted on the TISE on the 13th October 2020. The loan notes have a coupon of 10% and maturity date of 31 December 2029. They are held at 53.86% by the ultimate controlling party, Exponent Private Equity LLP, on behalf of the funds under its management.

This report was approved by the board on 28th September 2023 and signed on its behalf.

DocuSigned by:



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James John Moody
Director

SHL GLOBAL HOLDINGS MIDCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the Period ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Results and dividends

The loss for the Period, after taxation, amounted to £1,424 thousand (2021 - loss £1,844 thousand).

There were no interim dividends paid in the period (2021: nil). The Directors do not recommend the payment of a final dividend.

Directors

The Directors who served during the period were:

Andrew James Bradshaw
Michael Edmondson
Paul John Greensmith (resigned 31 January 2023)
James John Moody (appointed 15 March 2022)

SHL GLOBAL HOLDINGS MIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

Going concern

Due to SHL Group financial arrangements, the going concern assessment of the Company is intrinsically linked to the going concern assessment of the Group, described below.

The Directors have prepared cash flow forecasts for the Group for a period in excess of 12 months from the date of approval of the 2022 financial statements, to 31 December 2024. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future trading performance. The Directors have considered sensitivities to this forecast trading performance. While based in the UK, SHL Group trades and operates using 25 subsidiaries selling into 150 countries around the world, which provides resilience to variations in economic conditions in any one territory and minimises cross border trading. The forecasts show that the Group will be able to operate within its current committed borrowing facilities and show continued compliance with the Group's financial covenants.

On the basis of the exercise described above and the Group's available committed borrowing facilities, the Directors consider that the Group and Company have adequate resources to continue in operational existence and support its growth and investment plans for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group and the Company.

Further detail is provided in Note 2 to the financial statements.

Financial instruments

The financial risk management objectives and policies of the Group are detailed in note 29.2 to the consolidated financial statements of SHL Global Management Limited.

The Company is funded by intercompany loan and loan notes listed on The International Stock Exchange (TISE). £19,300,000 loan notes were admitted on the TISE on the 13th October 2020. The loan notes have a coupon of 10% and maturity date of 31 December 2029. They are held at 53.86% by the ultimate controlling party, Exponent Private Equity LLP, on behalf of the funds under its management.

Political and charitable contributions

No political or charitable contributions were made during the period.

Directors' statement as to disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 22 March 2023 SHL Group completed the sale of its wholly owned subsidiary, PDRI, for consideration of \$186.6m, with further 2023 estimated cost of sale of \$1.5m.

In April 2023, the Group has acquired 67% of its longstanding third-party distributor, SHL Japan.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022**

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28th September 2023 and signed on its behalf.

DocuSigned by:



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James John Moody
Director

SHL GLOBAL HOLDINGS MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED

Opinion

We have audited the financial statements of SHL Global Holdings Midco Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included verifying the key inputs within the going concern assessment, evaluating assumptions and forecasts used within the assessment, reverse stress testing the model to identify key areas of and evaluating the assessment against external benchmarks and industry assessments.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period from when the financial statements are authorised for issue until 31 December 2024.

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

SHL GLOBAL HOLDINGS MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED (CONTINUED)

Overview of our audit approach

- Key audit matters • Recoverability of amounts due from group undertakings
- Materiality • Overall materiality of £829,000 which represents 1% of Equity.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been an increasing interest from stakeholders as to how climate change will impact companies. The company has determined that the most significant future impacts from climate change are on its reliance on the wider SHL group. Disclosures in the group financial statements regarding Greenhouse gas use are made in line with the Energy Savings Opportunity Scheme (ESOS). Whilst neither we or the company consider this a material risk at present or in the future, our procedures on this area consists of considering whether the information presented in the financial statements is materially inconsistent with the financial statements of the group and our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate change risk, the adequacy of disclosures in the financial statements and the conclusion that no issues were identified that would impact the carrying values of the assets on the financial statements. We also challenged the directors' considerations of climate change in their assessment of going concern and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED
(CONTINUED)**

Risks**Our response to the risk**

<p>Recoverability of amounts from group undertakings</p> <p>The company has amounts of £139,417,000 due from group undertakings. The repayments of principal and interest on this receivable balance is the source from which the Company meets its short term and long-term financing obligations.</p> <p>The primary driver of the recoverability of these amounts is the ability of the wider SHL group to generate cashflows.</p> <p>Please refer to Note 2.4 in the basis of preparation note that discusses group's ability to continue to generate cashflows to support the recoverability of amounts due to the company, and of its going concern.</p>	<ul style="list-style-type: none"> • We obtained the group's five-year earnings and cashflow forecast. We ensured mathematical accuracy of the model. • We challenged the key assumptions made in the group forecast, being discount rates and growth rates, by comparing to current industry and economic trends, changes to the group's business model, customer base and product mix and considered against other evidence gained from our audit work. • We tested the sensitivities in the valuation methods used by management, in particular the discount rate and long-term growth rates. We assessed the impact of changes in discount and growth rates within reasonable ranges or scenarios and their impact on liquidity and covenants compliance. • We benchmarked key assumptions (Revenue and EBITDA growth rates and Discount Rates) against wider external market data. • We performed testing on the historical accuracy of management's group forecasts and re-performed the sensitivity analyses, in particular the discount rate and long-term growth rate • We evaluated the performance of the group in the period since the group accounts were signed, which occurred on the 13th April 2023, to ensure the key assumptions and judgements remain valid.
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Key observations communicated to the Audit Committee

We concluded that the wider group is forecasted to be sufficiently cash generative to support the recoverability of the amounts due from group undertakings.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED
(CONTINUED)**

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £829,000 (2021: £829,000), which is 1% (2021: 1%) of Equity. We believe that equity provides us with a reliable measure, given the company is a holding entity (and therefore, capital based) as well as being, not a profit orientated entity. With no changes in the entities business model, we believe this to continue to be appropriate.

During the course of our audit, we reassessed initial materiality and concluded that it is still appropriate.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely £622,000 (2021: £622,000). We have set performance materiality at this percentage, which has changed from the prior year, because there were no misstatements identified in the prior year audit, the internal control environment is strong with no deficiencies identified and there have been no significant changes in personnel.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £41,000 (2021: £41,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

SHL GLOBAL HOLDINGS MIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report set out on Page 1 to 5, other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information contained within the Annual Report.

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED
(CONTINUED)**

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

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 risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant relate to the reporting framework, in particular UK GAAP, Companies Act 2006 and the relevant rules of The International Stock Exchange
- We understood how SHL Global Holdings Midco Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated our enquiries through our review of board minutes and papers provided to those charged with governance, as well as consideration of the results of our audit procedures over the company's financial statements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining an understanding through discussions with management of fraud risk areas. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk which were designed to provide reasonable assurance that the financial statements were free from material misstatement, whether due to fraud or error. We tested specific transactions back to source documentation or independent confirmations as appropriate.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual non-standard journals and journals indicating large or unusual transactions identified by specific risk criteria based on our understanding of the business; enquiries of those responsible for legal and compliance of the company and management; and focused testing. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

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

Other matters we are required to address:

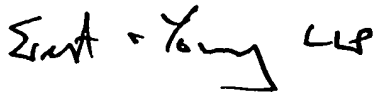
- Following the recommendation from the audit committee we were appointed by the company on 15th February 2021 to audit the financial statements for the year ending 31st December 2020 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 3 years, covering the years ending 2020 to 2022.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHL GLOBAL HOLDINGS MIDCO LIMITED
(CONTINUED)**

Use of our report

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

A handwritten signature in black ink, appearing to read "Ernst & Young LLP".

Philip Young (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP Statutory Auditor

London
United Kingdom

28 September 2023

SHL GLOBAL HOLDINGS MIDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £000
Interest receivable and similar income	6	12,678	11,484
Interest payable and similar expenses	7	(14,715)	(13,377)
Other finance income		613	49
Loss before tax	8	(1,424)	(1,844)
Loss for the financial Period		(1,424)	(1,844)

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).


The notes on pages 17 to 29 form part of these financial statements.

SHL GLOBAL HOLDINGS MIDCO LIMITED
REGISTERED NUMBER: 12294275

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	9	87,115	87,115
		<u>87,115</u>	<u>87,115</u>
Current assets			
Debtors: amounts falling due within one year	11	139,417	126,409
Cash at bank and in hand	12	16,891	16,607
		<u>156,308</u>	<u>143,016</u>
Total assets less current liabilities		243,423	230,131
Creditors: amounts falling due after more than one year	13	(161,865)	(147,149)
Net assets		<u>81,558</u>	<u>82,982</u>
Capital and reserves			
Called up share capital	14	871	871
Share premium account		86,244	86,244
Profit and loss account		(5,557)	(4,133)
		<u>81,558</u>	<u>82,982</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28th September 2023.

DocuSigned by:

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James John Moody
 Director

The notes on pages 17 to 29 form part of these financial statements.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2022	871	86,244	(4,133)	82,982
Comprehensive income for the Period				
Loss for the Period	-	-	(1,424)	(1,424)
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	-	-	(1,424)	(1,424)
At 31 December 2022	-	-	-	-
At 31 December 2022	871	86,244	(5,557)	81,558

The notes on pages 17 to 29 form part of these financial statements.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	871	86,244	(2,289)	84,826
Comprehensive income for the year				
Loss for the year	-	-	(1,844)	(1,844)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(1,844)	(1,844)
At 31 December 2021	-	-	-	-
At 31 December 2021	871	86,244	(4,133)	82,982

The notes on pages 17 to 29 form part of these financial statements.

SHL GLOBAL HOLDINGS MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

1. General information

SHL Global Holdings Midco Limited ("the Company") (registered number 12294275) is a private company limited by shares and is incorporated in England. The Registered Office is 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK. The Company was incorporated on 1 November 2019. SHL Global Holdings Midco Limited is a holding company which is wholly owned by SHL Global Holdings 1 Limited. The group of companies trading as the SHL Group is headed by SHL Global Management Limited ("the SHL Group" or "the Group").

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SHL Global Management Limited as at 31 December 2022 and these financial statements may be obtained from 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

Due to SHL Group financial arrangements, the going concern assessment of the Company is intrinsically linked to the going concern assessment of the Group, described below. The Directors have prepared cash flow forecasts for the Group for a period through to 31 December 2024. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future trading performance. The Directors have considered sensitivities to this forecast trading performance.

While the Company is based in the UK, the Group trades and operates using 25 subsidiaries selling into 150 countries around the world, which provides resilience to variations in economic conditions in any one territory and minimises cross border trading. The forecasts, including the stress case, show that the Group will be able to operate within its current committed borrowing facilities and show continued compliance with the Group's financial covenants.

On the basis of the exercise described above and the Group's available committed borrowing facilities, the Directors consider that the Group and Company have adequate resources to continue in operational existence and support its growth and investment plans for a period of at least 12 months from the date of signing of these accounts. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group and the Company.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Interest expenses

Interest expenses are charged to the profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Valuation of investments

In the Company's financial statements, investments and investments in subsidiary undertakings are stated at cost less provision for impairment and reviewed annually for impairment when there are indications of impairment. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that this value does not exceed initial cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and is reduced to its recoverable amount through an impairment in profit and loss.

An impairment loss recognised is only reversed in a subsequent period if the reasons for the impairment loss have ceased to apply. A reversal of an impairment loss is recognised in profit and loss.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.12 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Financial instruments**Loan notes**

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price, any losses arising from impairment are recognised in the income statement in other operating expenses.

2.14 Issued share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 addressed below.

Impairment of assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. This is performed at a Group level.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets or the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. See Note 10.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

4. Auditors' remuneration

	2022	2021
	£000	£000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	6,458	5,616
	<u>6,458</u>	<u>5,616</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

5. Directors' remuneration

The Directors received no emoluments from the Company for their qualifying services. The Directors have received emoluments from the group undertaking, SHL Group Limited, of which none related to their qualifying services as directors of the Company. The Company is a very small element of the Group and therefore the Directors do not consider it appropriate to apportion the Directors' remuneration to the qualifying service provided to SHL Global Holdings Midco Limited.

None of the Directors had any beneficial interest in the share capital of the Company or an interest in any transaction or arrangement with the Company, which requires disclosure.

No staff were employed by the Company during the period and therefore no staff costs were incurred.

6. Interest receivable

	2022	2021
	£000	£000
Interest receivable from group companies	12,678	11,484
	<u>12,678</u>	<u>11,484</u>

7. Interest payable and similar expenses

	2022	2021
	£000	£000
Interest payable on amount listed on the TISE	2,360	2,145
Loans from group undertakings	12,355	11,232
	<u>14,715</u>	<u>13,377</u>

SHL GLOBAL HOLDINGS MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

8. Taxation

	2022 £000	2021 £000
Total current tax	-	-
Factors affecting tax charge for the year		
The tax assessed for the year is lower than (2021 - <i>lower than</i>) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:		
	2022 £000	2021 £000
Loss on ordinary activities before tax	(1,424)	(1,844)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(271)	(350)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	359
Group relief	271	(9)
Total tax charge for the Period/year	-	-

Factors that may affect future tax charges

The main rate of UK corporation tax will become 25% for the financial year beginning 1 April 2023.

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	87,115
At 31 December 2022	87,115

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. Fixed asset investments (continued)**Subsidiary undertakings**

The indirect subsidiaries of the Company are set out below with the exception of SHL Global Holdings 2 Limited, which is directly owned by the Company. All the companies listed below are owned by a subsidiary of the Company and all are 100% controlled by the Group unless indicated otherwise.

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Aspiring Minds FZ LLC	Exclusive Desk No.32, Ground Floor,Building:16 Dubai, UAE.	100%
Aspiring Minds Inc.	1811, Sliverside Road, Wilmington City, NewCastle County, 19810 4345, USA.	100%
Beijing Aspiring Minds Information Consulting Co Ltd	Room 606, 5th Floor, Building 1, Yard 93, Jianguo Road, Chaoyang District, Beijing	100%
Personal Decisions Research Institutes LLC (PDRI)	111 Washington Avenue S, Suite 600 Minneapolis MN 55401 USA.	100%
Savhold BV	Office 905, 9thFloor, Central Park, Stadsplateau29, Utrecht 3521, Netherlands.	100%
Saville & Holdsworth International B.V.	Office 905, 9thFloor, Central Park, Stadsplateau29, Utrecht 3521, Netherlands.	100%
Saville & Holdsworth Limited	The Pavilion, 1 Atwell Place, Thames Ditton,Surrey, KT7 0NE, UK.	100%
SHL (India) Private Limited	Seventh Floor, Godrej BKC, Bandra East, Mumbai City, Mumbai, Maharashtra 400051, India.	100%
SHL AG	Schulhausstrasse 41, 8002 Zurich,Switzerland.	100%
SHL Australia Pty Limited	Level 2, 99 Elizabeth Street, Sydney, NSW 2000, Australia.	100%
SHL Belgium SA	Da Vincilaan 2 bus 203, 1930 Zaventem, Belgium	100%
SHL Canada Inc.	C/O DLA Piper, Suite 6000, 1 First Canadian Place, 100 King Street West, Toronto, ON M5X 1E2	100%
SHL China Ltd.	Unit 307-308, 3/F, 233 Taicang Rd., Huangpu District, Shanghai, Postal Code 200020, China.	100%
SHL DebtCo Limited *	The Pavilion, 1 Atwell Place, Thames Ditton,Surrey, KT7 0NE, UK.	100%
SHL France SAS	Office GR-107, C/O WeWork, 7 Rue De Madrid, Paris, Ile-de-France, 75008, France	100%
SHL Global Holdings Proprietary Limited**	Ground Floor, Block D Southdowns Office Park, Cnr of JohnVorster, Irene Ext 54, Centurion, Gauteng,0157 South Africa.	49%
SHL Global Holdings 2 Limited	The Pavilion, 1 Atwell Place, Thames Ditton,Surrey KT7 0NE, UK.	100%
SHL Group Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK.	100%
SHL Hong Kong Limited	16th Floor, 111 Leighton Road, Causeway Bay, Hong Kong.	100%
SHL India Finance Limited *	The Pavilion, 1 Atwell Place, Thames Ditton,Surrey KT7 0NE, UK.	100%

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Holding
SHL International Finance 1 Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK.	100%
SHL International Finance 2 Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK.	100%
SHL International Management Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey, KT7 0NE, UK.	100%
SHL Italy Srl Unipersonale	Via Boezio No.6 - 001932 Rome, Italy.	100%
SHL Middle East and Africa FZ LLC	Dubai Knowledge Village, Block 2A Suite G46, P.O. Box 500715, Dubai, UAE.	100%
SHL Nederland BV	Office 905, 9th Floor, Signature Central Park, Stadsplateau 29, Utrecht 3521. Netherlands	100%
SHL New Zealand Limited	C/O Generator, 12 Madden Street, Wynyard Quarter, 1010 Auckland, New Zealand	100%
SHL Norge A/S	C/O Scandinavian Trust, Fridtjof Nansens Plass 4, 0160 Oslo, Norway.	100%
SHL People Solutions Group Holdings Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey KT7 0NE, UK.	100%
SHL US Finance Limited*	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey KT7 0NE, UK.	100%
SHL Saudi Arabia Limited	Suite 1405, 28th Floor, Kingdom Center, PO Box 230888, Riyadh 11321, Saudi Arabia.	100%
SHL Saville and Holdsworth (Deutschland) Limited	Speicherstraße 59, 60327 Frankfurt am Main, Germany.	100%
SHL Sverige AB	C/O Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden	100%
SHL Saville and Holdsworth (Proprietary) Limited	Ground Floor, Block D Southdowns Office Park, Cnr of John Vorster and Karee Road, Irene Ext 54, Centurion, Gauteng, 0157 South Africa	100%
SHL US Management LLC	1209 Orange Street, Wilmington, New Castle, Delaware 19801, USA	100%
SHL Philippines Inc	Unit #12, 24th Floor, BGC Corporate Center, 30th Street Corner, 11th Avenue Bonafacio Global City Taguig, Metro Manila, 1634 Philippines	100%
SHL Product Limited Abu Dhabi Branch	Office 185, Al Hashem Marble Building, Musaffah M39, Abu Dhabi	100%
SHL Finland, SHL Product Ltd:n Suomen sivuliike	C/O Scandinavian Trust OY, Frederikinkatu 61A, 00100 Helsinki, Finland	100%
SHL Singapore Pte Limited	Level 5, Marina One East Tower, 7 Straits View, Singapore 018936	100%
SHL Group Sverige*, filial of SHL Product Ltd UK	C/O Scandinavian Trust AB, Birger Jarlsgatan 12, 114 34 Stockholm, Sweden	100%
SHL Group Denmark*, filial of SHL Product Ltd, UK	C/O Scandinavian Trust ApS, Hammerensgade 1, 2.1267, København K, Denmark	100%
SHL Product Limited *	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey KT7 0NE, UK.	100%
SHL US LLC	111 Washington Avenue S, Suite 500, Minneapolis MN 55401, USA.	100%

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Holding
SHL APAC Finance Limited	The Pavilion, 1 Atwell Place, Thames Ditton, Surrey KT7 0NE, UK.	100%

* These companies are exempt from the requirements of the Companies Act 2006 ("the Act") relating to the audit of the individual accounts by virtue of s479A of the Act.

** SHL Global Holdings Proprietary Limited is 49% owned by Saville & Holdsworth International B.V..

*** SHL Saville and Holdsworth (Proprietary) Limited is 25.1% owned by SHL Global Holdings Proprietary Limited and 74.9% owned by Saville & Holdsworth International B.V.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

10. Assets impairment testing

As detailed in Note 9, the Company holds investments in the underlying operating group. For the purposes of impairment testing, the Directors perform an impairment assessment for the entire group.

10.1. Methodology

The Directors regularly review the performance of the business and the external business environment to determine whether there is any indication that the Group's tangible and intangible assets have suffered an impairment loss. If such indication exists, the recoverable amount (the higher of the value in use and the fair value less costs to sell) of the asset is estimated and compared with the carrying value in order to determine the extent, if any, of the impairment loss. In addition, goodwill is tested for impairment on an annual basis.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating units (CGUs) expected to benefit from the combination and the Directors carry out annual impairment testing of the carrying value of each CGU to assess the need for any impairment of the carrying value of the associated goodwill and other intangible and tangible assets.

If the recoverable amount of a CGU is less than its carrying amount, the resulting impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU.

10.2. Key assumptions

The recoverable amount of each of the CGUs has been determined based on a value in use calculation. For the PDRI CGU as it is held for sale as at 31 December 2022 the CGU has been valued at the consideration that will be received in 2023 for the sale of the business less cost to sell. The calculation is based on the Share Purchase Agreement signed in December 2022 and cost forecasts. For SHL CGU cash flow projections from financial budgets approved by senior management covering a five year period have been used. The cashflows beyond the five year period for each CGU are extrapolated using the long term average growth rate for the industry.

No sensitivity has been performed for PDRI CGU as the value in use is based on reliable estimate.

The calculation of value in use for SHL CGU is sensitive to the following assumptions:

Sales growth**Discount rates**

Sales growth – sales growth is based on management's expectations. Over the period of the cash flow projections the SHL CGU is expected to continue to benefit from the significant investment in its product and the growth in the human capital market generally. Sales growth rates used for SHL are between 8% and 16%. A 1% reduction in the average sales growth for the SHL CGU would reduce headroom from \$384,961k to \$337,891k.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rates calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account cost of equity, based on IAS 36 requirements. The cost of equity is derived from the expected return on investment by the Group's investors. Segment specific risk is incorporated by applying individual beta factors based on publicly available market data. The post tax WACC rate used for SHL is 12.75% (pre tax WACC rate is 14.25%). A 1% increase in the discount rate for the SHL CGU would reduce the headroom from \$384,961k to \$319,619k.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. Debtors

	2022	2021
	£000	£000
Amounts owed by group undertakings	139,417	126,409
	<u>139,417</u>	<u>126,409</u>

Amounts due from subsidiary undertakings bear a fixed interest rate of 10%, have no fixed date of repayment and are repayable on demand. There is no market risk as the loan is denominated in Pounds Sterling and the rate is fixed.

12. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	16,891	16,607
	<u>16,891</u>	<u>16,607</u>

13. Creditors: Amounts falling due after more than one year

	2022	2021
	£000	£000
Amounts listed on the TISE and related interest	25,959	23,598
Amounts owed to group undertakings	135,906	123,551
	<u>161,865</u>	<u>147,149</u>

The loan notes are listed on The International Stock Exchange (TISE). £19,300,000 loan notes were admitted on the TISE on the 13th October 2020. The loan notes have a coupon of 10% and a maturity date of 31 December 2029. They are held at 53.86% by the ultimate controlling party, Exponent Private Equity LLP, on behalf of the funds under its management.

Interest is payable on amounts owed to Group undertakings at 10%. The loan has no fixed date of repayment and is repayable on demand.

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

14. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
871,154 (2021 - 871,154) Ordinary shares of £1.00 each	871	871
	<u>871</u>	<u>871</u>
	Ordinary	Share
	shares	premium
	£000	£000
Allotted, called up and fully paid		
As of 1 January 2022	871	86,244
As of 31 December 2022	<u>871</u>	<u>86,244</u>

15. Related party transactions

All transactions with related parties are conducted on an arm's-length basis and in accordance with normal business terms.

	Interest receivable/ (payable)	Amounts owed by / (owed to) related parties	Interest receivable/ (payable)	Amounts owed by / (owed to) related parties
	31 December 2022	31 December 2022	31 December 2021	31 December 2021
	£'000	£'000	£'000	£'000
SHL Global Holdings 2 Limited	12,355	135,906	11,232	123,551
SHL Group Limited	323	3,511	252	2,858
SHL Global Holdings 1 Limited	(12,355)	(135,906)	(11,232)	(123,551)
Exponent Private Equity LLP	(1,271)	(13,001)	(1,155)	(12,710)

SHL GLOBAL HOLDINGS MIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

16. Controlling party

The ultimate controlling party of the Company is Exponent Private Equity LLP, on behalf of the funds under its management. The immediate parent company is SHL Global Holdings 1 Limited, and the ultimate parent company is SHL Global Management Limited, and both companies are incorporated in England and Wales.

The smallest and largest group to consolidate is SHL Global Management Limited.