ASCENTIAL

Continued structural growth

Annual Report 2022

Act today,
win tomorrow.

Ascential delivers specialist information, analytics, events and eCommerce optimisation to the world's leading consumer brands and their ecosystems.

Financial highlights

Revenue
£524.4m

Reported Revenue Growth
50%

Adjusted EBITDA[1]
£121.1m

Adjusted EBITDA Margin[1]
23.1%

Statutory Operating Loss
(£94.2m)

Net Debt[1]
(£216.7m)

Adjusted Diluted Earnings per Share[1]
12.9p

Reported Diluted loss per share
(21.9p)

1 Refer to glossary of Alternative Performance Measures on page 43

Operational highlights

- Record levels of revenue, with double-digit growth in all segments.
- Strategic Review underway to create the optimal structure for three distinct operating models, financial profiles, cultures and capital requirements to maximise shareholder value.
- Digital Commerce delivered strong revenue growth (up 14% on a proforma basis and 10% on an organic basis) as our clear competitive advantage allowed us to outperform the more challenging market conditions as the year progressed. The business continued to extend its addressable market and enhance its capabilities by acquiring Intrepid, which grew over 40% (based in Southeast Asia, covering the Shopee and Lazada marketplaces). We continue investing in product engineering and made good progress with our integrated Enterprise Product.
- Product Design continued its recent acceleration with revenue up 12% on an organic basis. Record retention levels and the growth of all product lines drove strong subscription billings (up 11%). Non-fashion products remain the main growth engine, accounting for 46% of subscriptions.
- Marketing revenue grew 74% on an organic basis. The Cannes Lions International Festival of Creativity returned strongly in June, with revenue comfortably exceeding pre-pandemic levels, further enhanced by double-digit growth from WARC's subscription business.
- Retail & Financial Services had an excellent year and grew very strongly (revenue up 65% on an organic basis), through the continued resurgence of Money20/20. Both editions (Europe and US) achieved revenue greater than previous, pre-pandemic highs (up 30% and 64% respectively).

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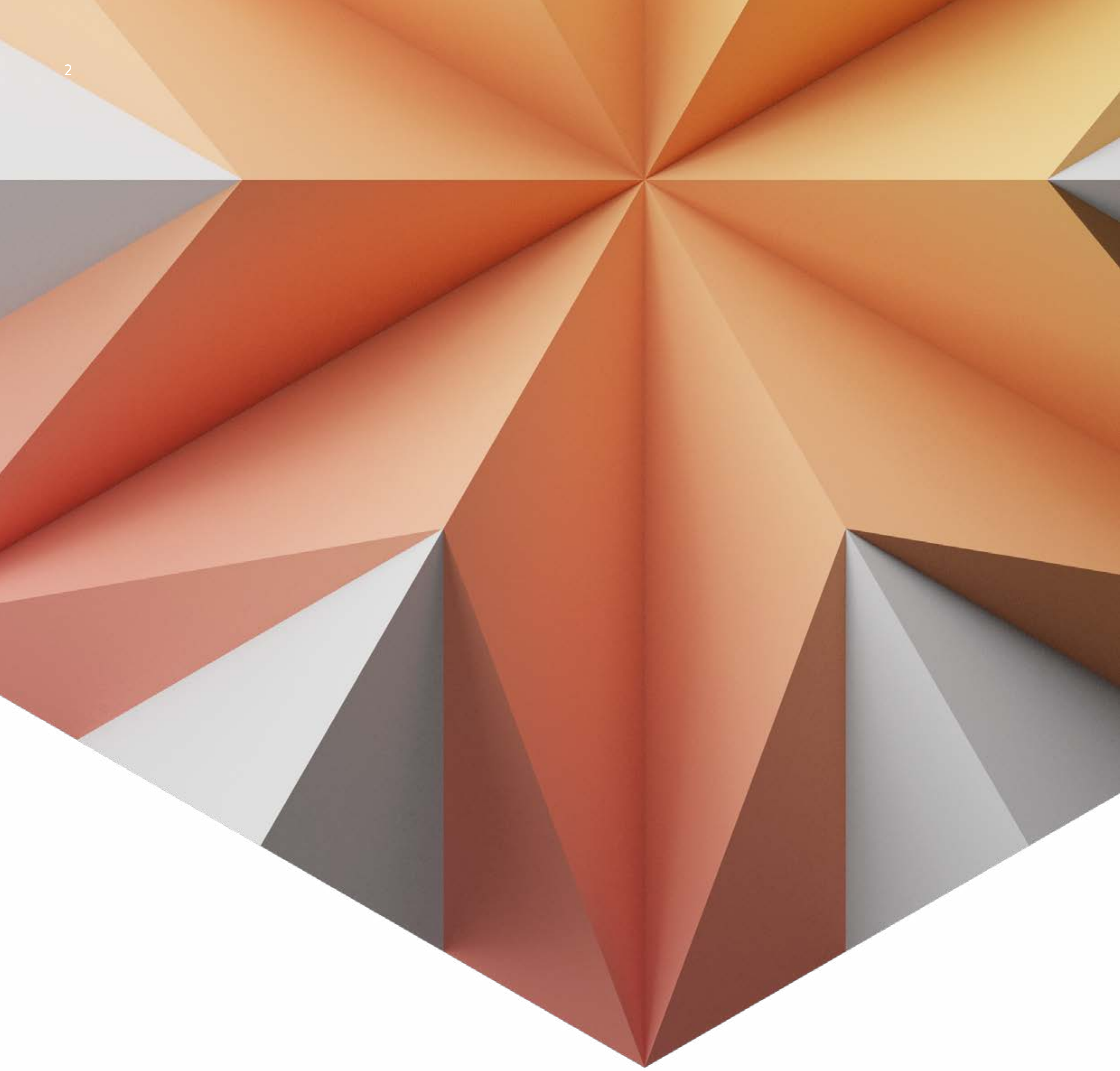
More information online:
Our website gives you fast, direct access to a wide range of Company information.
ascential.com

Strategic report
Governance report
Financial statements

"Ascential delivered strong trading in 2022, with record revenues and organic growth of 30%. The competitive advantage we offer our customers is reflected in double digit growth in all of our segments. This is particularly impressive in a challenging macro backdrop and is a testament to the commitment and talent of our staff."

Duncan Painter
Chief Executive



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Company overview

Who we are

Ascential provides specialist information, analytics, events and digital commerce optimisation to the world's leading consumer brands and their ecosystems.

Through our technology solutions, subject matter expertise and data-driven insights we help our customers make smart strategic decisions that improve performance now and in the future, enabling them to outperform their competitors.

Our customers

We are a trusted partner to many of the leading companies, including 85% of the top 20 most valuable global brands. We combine local expertise with a global perspective, offering our customers a comprehensive world view.

Countries we serve

130+

Our people

We work hard to attract and retain the best people in the industry so we can deliver the best products and services to our customers. We aim to be a destination employer in every one of our key operating territories and markets.

Employees across six continents

3,800

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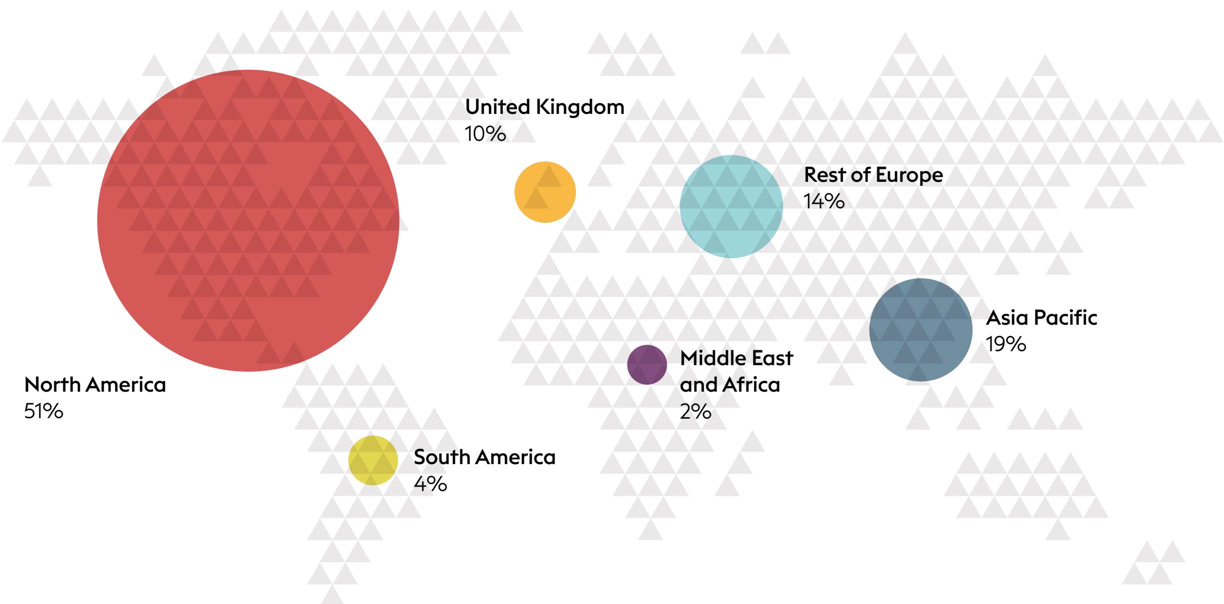
Revenue by geography



Our segments

Digital Commerce

Digital Commerce

What we do
Help brands and digital marketplaces win by optimising and accelerating their digital commerce performance.

How we do it
Industry-leading products that enable our customers to automate, optimise, trade and measure their digital commerce business in real time.

Our brands

flywheel, WHYTESPYDER, OneSpace, EDGE, INTELLIBRAND, intrepid, perpetua, 4KMILES, ASR, DUO ZHUN, YIMIAN

Revenue

£226m

Digital Commerce
Segmental review
Page 16

Intelligence & Events

Product Design

What we do
Help our customers to create world-class products and experiences.

How we do it
Data, intelligence and advisory to enable better decisions on product development.

Our brands

WGSN, coloro, START

Revenue

£107m

Product Design
Segmental review
Page 22

Marketing

What we do
Optimise marketing creativity, media and marketing effectiveness and efficiency.

How we do it
Global benchmark for creativity, including world-class events and awards, and digital marketing effectiveness platform.

Our brands

LIONS, WARC

Revenue

£99m

Marketing
Segmental review
Page 26

Retail & Financial services

What we do
Bring together the money ecosystem to share ideas, do business and drive partnerships.

How we do it
Leading, premium content, sales and networking platform for the global money ecosystem, offering content and networking and insights.

Our brands

MONEY 20/20, Price & Promotion

Revenue

£92m

Retail & Financial Services
Segmental review
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Chief Executive's review

Duncan Painter
Chief Executive

In 2022, we saw strong operational performance across the Group. All four business segments produced record revenues for the Group with overall Organic revenue growth of 30% and Adjusted Organic EBITDA growth of 23%. After Adjusting items, we recorded an operating loss of £94.2m (2021: £26.7m). We undertook a strategic review to establish the optimum structure for Ascential to deliver on its strategy and to maximise value for shareholders.

Revenue
£524.4m

Adjusted EBITDA
£121.1m

2022 performance

Digital Commerce
The Digital Commerce business performed well in 2022, growing revenue by 14% (on a proforma basis) against a tough end market. Our performance demonstrates the clear competitive advantage we provide to our customer set, helping them outperform the market with our Enterprise customer business (over 70% of revenue) growing by 15%. We were pleased to welcome our recent acquisitions Sellics and Intrepid to the company, giving us valuable additional capabilities in the Challenger customer product set and in South-East Asia. We brought more customers onto our Digital Commerce platforms, integrating our products to create the market-leading single product for Enterprise customers. We drove high growth as we scaled our Challenger customer business and expanded our total addressable market through international expansion.

Our Digital Commerce clients were particularly impacted by record inflation. To deliver business growth, they have increased the use of traditional higher-margin channels, such as bricks-and-mortar stores. This has meant they have been more controlled in their investment in the eCommerce channels. As inflation is controlled globally, we anticipate that our clients will return to achieving growth through volume, which over the past five years has been achieved through sales in digital marketplaces. We are confident this trend will continue for the long-term.

The Marketplaces also implemented different operating approaches in 2022 to adapt to the macro-economic environment. Amazon specifically pulled back on products that are a direct cost to their operations which ultimately impacted the publishing-related revenues in ASR and triggered a non-cash impairment charge for intangibles as described further in the Financial Review. ASR's publishing product is our only cost-linked product with Amazon; all our other products generate revenue for Amazon, or we create revenue directly from the brands.

I am also pleased to announce, the appointment, post year end, of Jeff Lupinacci as Chief Financial Officer of Digital Commerce. Jeff, who will become a Board member of the Digital Commerce business, is an experienced CFO who knows the sector extremely well, having held senior positions predominantly in the Advertising and Media industries, including most recently for Omnicom. Prior to that role, Jeff spent three years at Ascential.

Product Design
Product Design had another strong year, delivering revenue growth of 12%. This was underpinned by subscription billings, which grew 11%, which were powered by non-fashion products (such as Insight, Beauty and Consumer Tech), which grew at 23%. With retention now standing at over 95% and customer NPS (Net Promoter Score) continuing at record highs, the enduring power of the WGSN brand has never been more evident.

Marketing
Marketing progressed strongly in 2022, as the Lions International Festival of Creativity returned to Cannes. Extremely high levels of customer engagement, through partnerships and delegate participation, as well as the awards benchmark, drove revenue comfortably above 2019 levels (the last time the Festival was held in person). Our subscription-based business WARC continued its excellent performance, with revenue growing over 20% in the year, as renewal rates exceeded 95%.

Retail & Financial Services
Money20/20's two marquee events, in the US and Europe, both delivered outstanding performances. Following their return in 2021, each event delivered substantial growth in revenue and attendees in 2022, representing all time highs in their respective histories and together exceeding 30% growth compared to 2019. At the very end of 2022 we also completed the sale of Retail Week World Retail Congress (RWRC).

Operating Responsibly

We made good progress in 2022 with our Corporate Responsibility programme. Our work to embed corporate responsibility into our working processes continued, with the aim of capitalising on opportunities and managing our risks effectively. We continued working towards our goal of ensuring that Ascential is a diverse and inclusive company to work for and to do business with. We renewed our focus on reducing our environmental impact and empowered our brands and regions to do social impact work which was meaningful for them and their customers.

As a company, we made progress on our first set of Climate Change goals and targets, created in tandem with the completion of the Taskforce for Climate Related Financial Disclosure for the first time in 2021. In 2022 we also created the Ascential Intelligence and Events Sustainability Forum to enable brands to connect and share learnings on the risks and opportunities associated with climate change.

Our partnerships with charities, including The Prince's Trust, sit at the heart of our positive contribution to the societies we operate within. As well as our fundraising goals through the Million Makers programme, we created multiple new early talent internship opportunities across the business.

From a diversity and inclusion perspective, we saw continued expansion of programmes at Lions and Money20/20 to increase diversity in the industries they serve. Work on our Inclusive Representation Content audit continued, ensuring the content we produce is representative of the societies we operate in. We were also pleased to once again be included in the Bloomberg Gender Equality Index, as well as maintaining leading positions in the FTSE Women Leaders and Parker Reviews addressing diversity on Boards.

Strategic review

Our 2022 results demonstrate that we have excellent businesses, each capitalising on the strong growth opportunities in their respective markets. Nevertheless, these businesses also have distinct operating models, financial and geographic profiles and capital requirements. After a comprehensive review process during 2022, the Board decided in early 2023 to proceed with a series of interdependent transactions and has since initiated the process to present our proposals to our shareholders over the coming months.

Sale of WGSN
Our review concluded that a sale of WGSN is the optimum way to unlock the significant value that has been created within this high-performing business over the last 10 years. If successful, this transaction will enable the Group to return a significant proportion of proceeds to shareholders and will also provide growth capital for both our Digital Commerce and our Events businesses.

Separation of Digital Commerce into an independent, publicly traded company listed in the United States
The natural listing location for this business to thrive in the long-term, is in the United States. This is where the majority of Digital Commerce revenues originate. The US is also home to the majority of the management team and employees. We believe a U.S. listing provides a stronger currency for any potential M&A, particularly during future industry consolidation, while also opening up incremental pools of capital. It will also enable us to attract and incentivise the best industry talent.

Creation of a premium, global Events business
This business will be among the highest quality events companies in the world with only premium, global events that are the clear market leaders in their respective industries, presently comprising Lions (including WARC) and Money20/20. This business is uniquely positioned to create or acquire other nascent events that aspire to the quality of these two flagship brands.

2023 Priorities and outlook

2023 has started well and in line with our plans and, despite continued macro uncertainty we remain confident for the year ahead. Our business facing teams are fully focused on delivering for customers. Our clear corporate priority for 2023 will be engaging with our shareholders on our proposals resulting from the strategic review, and subject to their approval, executing these, as described above. We look forward to sharing updates on this process as we progress.

In terms of our operating businesses, our priorities are:

- Digital Commerce: alongside our work to prepare the business for listing on the US public market, we will be prioritising the creation of our integrated Enterprise Product. The creation of two clear teams focused on Enterprise customers and on Challenger brands (plus domestic China) has simplified our structure and allows us to focus on integrating our digital platforms, aligning them with our customer base.
- Product Design: our goal is to continue to drive growth in non-fashion horizontal offerings (such as Consumer Insight and Tech), to underpin fashion's growth and to accelerate our high value advisory services.
- Events (Marketing and Retail & Financial Services): we will double down on the successful return of our live events including preparations for our Money20/20 Asia edition, looking to grow our digital revenues, with targeted M&A to deliver an enhanced offer for customers.

I would like to take this opportunity to personally thank our people for their continued focus and hard work. Through our recent years of transformation, and now post the strategic review process, our people's dedication to the core purpose of our three business units and continued delivery for our customers has been impressive.

We simply could not achieve what we do as a business without the work of each and every individual in our organisation and their commitment to delivering the best possible results.

Duncan Painter
Chief Executive
3 April 2023

Strategic priorities

1 Strategic Review

Our clear priority for 2023 will be to engage with our shareholders on the proposals resulting from the strategic review and, subject to their approval, execute them as outlined in the CEO statement. We look forward to sharing updates on this process throughout 2023 as we progress.

Link to KPIs
1, 2, 3, 4, 5, 6

Link to Risks
1, 2, 6, 7, 9, 10

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2 Digital Commerce

Alongside our work to prepare the Digital Commerce business for listing on the US public market, we will prioritise the creation of our Enterprise Product. The creation of two clear teams focused on Enterprise customers and on Challenger brands (plus domestic China) will simplify our structure and allow us to focus on integrating our digital platforms, aligning them with our customer base.

Link to KPIs
1, 2, 3, 4

Link to Risks
1, 2, 3, 4, 5, 6, 8, 9

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Key to KPIs:
1. Revenue
2. Growth (Proforma)
3. Adjusted EBITDA
4. Adjusted EBITDA Margin
5. Net Debt
6. Leverage ratio

Key to Risks:
1. Customer end-market development
2. Economic and geopolitical conditions
3. Data access, data scraping and platform risks
4. New product and capability development
5. Cyber threat and information security
6. People risk
7. Live events
8. Acquisition and disposals (including integration)
9. Business resilience
10. Finance Risk
11. Regulation and compliance

3 Product Design

Our goal is to embed our non-fashion horizontal offerings (such as Consumer insight and Tech), to underpin fashion's growth and to accelerate our high value advisory services.

Link to KPIs
1, 2, 3, 4

Link to Risks
1, 2, 3, 5, 6, 9, 10, 11

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4 Intelligence & Events

We will double down on the successful return of our live events including preparations for our Money20/20 Asia edition, looking to grow our digital revenues, with targeted M&A to deliver an enhanced offer for customers.

Link to KPIs
1, 2, 3, 4

Link to Risks
1, 2, 3, 5, 6, 7, 9, 10

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KPIs
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Risks
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Investment case

Large and fast growing addressable markets

The markets in which we operate provide clear opportunities for continued growth across our businesses:

The ongoing disruption of the Digital Commerce landscape persists: continued acceleration and evolution of digital marketplaces, a fast growing ecosystem where digital penetration of retail sales and the use of media continues to grow, presenting critical challenges to brands and manufacturers.

For Product Design, demand in key industry verticals is forecast to continue to grow strongly driven by key trends such as decreasing brand loyalty, the increasing globalisation of trends and the shortening of product life cycles.

The pandemic's impact on the global Marketing industry proved to be short-lived, with headline losses fully recovered early in 2021, while advertising investment saw record growth in 2022 as brand owners continued to invest in marketing services.

The Financial Services industry continues to provide a dynamic backdrop for Money20/20, with strong long term growth prospects accelerated particularly by the increasing penetration of digital commerce globally.

Significant competitive moats

Our market leadership is underpinned by significant competitive moats, which reinforce our competitive advantage and create high barriers for new entrants:

Leading Product Expertise

- Our teams are recognised and valued as the leading experts in their fields, excelling in product innovation, customer insight and delivery.

World class, scalable platforms

- We have established wide reaching platforms, which we continue to expand, providing our customers with truly global coverage for their operations.

Access to deep data sets

- We have assembled multiple layers of rich trading data that underpin and inform our product offerings.

Global coverage

- We serve over 10,000 customers, in more than 130 countries across six continents.

Multiple levers for revenue growth

A high degree of Product innovation has driven our organic growth over many years. We continue to innovate through product extensions, such as WGSN's Trend Curve and LIONS' Advisory offerings, while there is a clear opportunity to develop digital information extensions to our world-leading Financial Services event, Money20/20.

Extension into adjacent markets is a further growth lever, with recent success seen through WGSN's launch into the Consumer Tech vertical, as its products outside Fashion continue to drive strong growth organically. In terms of external opportunities, Digital Commerce has proven to be an attractive home for new capabilities, joining the business via selective bolt-on acquisitions.

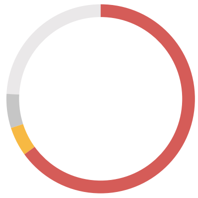
We have also demonstrated the ability to expand our penetration of existing markets, exemplified by the growth of Money20/20 in the US in 2022 (>60% vs 2019), while our expansion into new geographies is apparent in the recent announcement of Money20/20 Asia, planned for 2024.

High levels of recurring revenue and customer retention

Our business is underpinned by a high proportion of subscription-driven, recurring revenues, with our products deeply integrated into customers' workflows.

The more customers we add to our platform, the greater the precision of our insights and the greater the impact of our platform algorithms. This creates a compelling network effect for our products, our customers and our platform partners. This leads to high levels of retention, supported by powerful customer network effects that underpin our product offerings. This, in turn, gives us good visibility on the coming year's performance as well as a high degree of resilience to more challenging economic cycles.

2022 Revenue by type



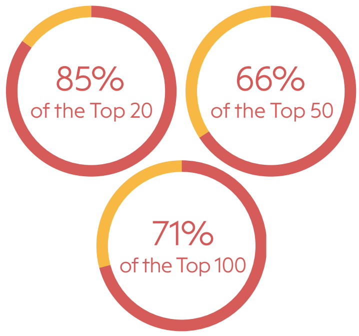
Digital Subscriptions & platforms	65%
Benchmarking Awards	5%
Advisory	6%
Events	24%

Market-leading products

Setting the benchmark for product quality, we are the market leaders in our fields. We serve over two thirds of the world's most valuable brands. Nevertheless, there is still considerable headroom to expand, reaching the remaining third of these top brands with our existing product set.

All our businesses lead their fields. This strong position enables us to bring new ideas to market more quickly, as well as providing clear pricing growth options.

Kantar BrandZ Most Valuable Global Brands 2022

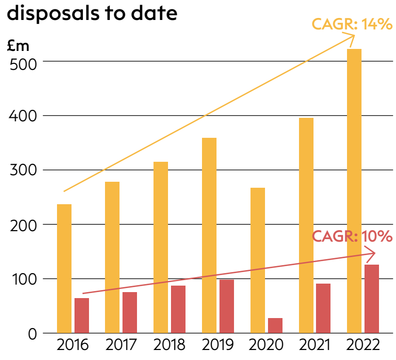


Attractive financial profile with strong operating leverage

We have delivered a strong financial performance in the period since our IPO in 2016, (looking through the pandemic cycle), with annual compound revenue growth of well over 10% as well as double digit annual compound profit growth.

This has been achieved through our rigorous approach to capital allocation, focusing on subscription driven products such as WGSN, the high growth acquisitions we have made in our Digital Commerce business and the strength of our world-leading events.

Revenue and EBITDA including the proforma results of acquisitions and disposals to date



Business model

Ascential provides our customers with specialist information, analytics, events and digital commerce optimisation platforms, ultimately creating value for our stakeholders.

Our distinctive profile

With a clear target customer group and a streamlined structure, our business has a distinctive profile and ability to deliver for our customers:

Market-leading brands
that combine immediately actionable insight with visionary longer-term thinking

Proprietary technology
and robust, scalable platforms

Subscription and platform
driven revenue streams (two thirds of revenue)

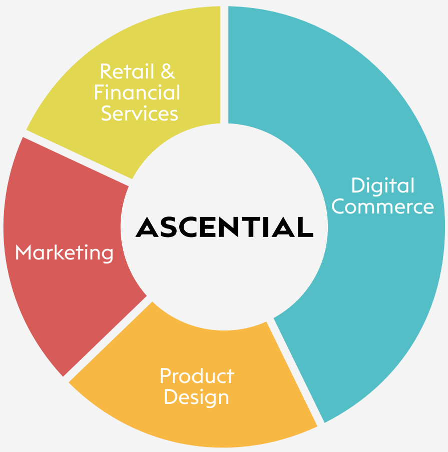
Global workforce
of more than 3,800 people across six continents

Increasingly sustainable and responsible
focus to our business

Our products and services

Through each division and their component business units and brands we offer products and services including digital intelligence (data, analytics, platforms), events, consultancy and managed services. Our customers and partners include the world's largest consumer goods manufacturers and brands, as well as the major global ecommerce marketplaces.

Our high levels of customer retention are driven by our trusted products and services and sustained focus on customer service, delivery and product innovation.



Read more in the segmental review
Pages 16 to 35

Digital Commerce

Digital Commerce

We help brands and digital marketplaces win by optimising and accelerating their digital commerce performance.

Execution
- Proprietary, marketplace-specific software, tools and expertise to drive sales and brand performance across geographies, including North America, Europe, Japan, China and South East Asia and on marketplaces such as Amazon, Walmart, Alibaba, Shopee and Lazada.
- Media execution, content optimisation and management technology for customers from enterprise level to challenger brands.

Measurement and benchmarking
- Predictive retail intelligence, digital shelf monitoring insights and market share performance analytics to help customers to plan, optimise, and measure sales performance across online retailers.
- Commercial data analytics solutions devoted to unleashing the value of data, enabling customers to make smarter decisions.

Intelligence & Events

Product Design

We deliver consumer product trend forecasting, data and insight to enable our customers to create world-class products and experiences.

Analytics
- Subscription-based, digitally delivered insights, providing brand manufacturers globally with the key design trends to meet their consumers' demands over the next 12-24 months.

Advisory
- Brand-specific consumer insights, delivering solutions tailored to individual customer requirements.

Marketing

We deliver events, services and tools to measure and optimise marketing creativity, media and platform effectiveness and efficiency.

Creativity benchmark
- Global platform for the measurement of creative excellence in the marketing industry, delivered through awards, events and online.

Effectiveness
- Subscription-based, digitally delivered, evidence, expertise and guidance to optimise brands' marketing effectiveness.

Retail & Financial services

We deliver events, content and platforms to improve performance and drive innovation in financial services.

Events
- Global platform for the money ecosystem, including premium content, sales and networking, delivered through global events series.

Our value

We have aligned our business to best serve the needs of our stakeholders, ensuring that we are uniquely positioned to deliver value.

For our shareholders
- We aim to deliver long-term sustainable returns, measured by Total Shareholder Return.

For our customers
- Our businesses improve performance and solve problems for our customers.
- We track our performance through a range of customer engagement statistics including net promoter scores, retention rates, and growth from existing customers.

For our colleagues
- We are a destination employer for global talent.
- We measure the engagement of our people through survey data, tracked monthly.

For our communities
- We are focused on maintaining a sustainable business model and making a positive impact on the communities in which we operate.

More information
Pages 62 to 69

KPIs

Key Performance Indicators (KPIs) are used to measure both the progress and success of our strategy implementation.

The KPIs are set out below, with a measure of our performance to date and an indication of potential challenges to success where applicable. Adjusted profit measures are used to assist readers in understanding underlying operational performance. These measures exclude income statement items arising from portfolio investment and divestment decisions, and from changes to capital structure.

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Risks
Page 50

Revenue

£524.4m

2022	**£524.4m**
2021	£349.3m

Description Revenue generated from continuing business operations.

Performance in 2022 Proforma growth reflects continued expansion within our attractive end markets and the strong return of our high quality events.

Proforma Revenue Growth[1]

+29%

2022	**+29%**
2021	+48%

Description Revenue growth on a like-for-like basis assuming the Company's acquisitions or disposals were all made on the first day of the comparative accounting period.

Performance in 2022 See Revenue.

Adjusted EBITDA[1]

£121.1m

2022	**£121.1m**
2021	£88.9m

Description Adjusted operating profit excluding depreciation and software amortisation.

Performance in 2022 Proforma growth of +15% reflects underlying operational leverage, together with accelerated investment in Digital Commerce.

Adjusted EBITDA Margin[1]

23.1%

2022	**23.1%**
2021	25.5%

Description Adjusted EBITDA as a percentage of Revenue.

Performance in 2022 See EBITDA.

Net Debt[1]

£216.7m

2022	**£216.7m**
2021	£73.8m

Description External borrowings net of arrangement fees, cash and cash equivalents and derivative financial instruments and excluding lease liabilities.

Performance in 2022 Increase in net debt due to acquisitions of Sellics and Intrepid, settlement of deferred consideration, investment in Hudson and platform implementation costs, partly offset by free cashflow.

Leverage ratio[1]

1.9x EBITDA

2022	**1.9x**
2021	0.9x

Description The ratio of Net Debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16.

Performance in 2022 See Net Debt.

[1]Refer to the glossary of Alternative Performance Measures page 43

Digital Commerce

Digital Commerce

We provide a comprehensive, global set of technologies and services helping brand manufacturer customers optimise and accelerate their digital commerce performance.

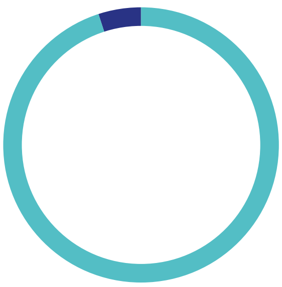
Revenue

£226.1m

Proforma revenue growth**

+14%

Revenue streams by type (%)



Digital Subscriptions & Platforms	95%
Advisory	5%

Execution products (75% of revenue):

Flywheel Digital, OneSpace, WhyteSpyder, DZ and Intrepid provide managed execution services to global brands across the world's leading marketplaces. Perpetua and 4K Miles provide self-service execution to challenger brands, while ASR provides content optimisation services.

Measurement & Benchmarking products (25% of revenue):

Edge and Yimian primarily offer market share insight, with digital shelf optimisation, across the key global marketplaces, while Intellibrand specialises in digital shelf services in the fast-growing LATAM region.

Digital Commerce achieved revenue growth of 14% on a proforma basis* and 10% on an organic basis despite the challenging backdrop, illustrating the clear competitive advantage we provide to brands trading on these marketplaces, where there remains a rare and significant growth opportunity. This robust underlying performance continues to be driven by a mix of gross new customer additions and net revenue retention*. We added over 2,600 customers in 2022 (over 270 Enterprise customers and over 2,400 Challenger customers), and delivered net revenue retention* for the last 12 months of 95% reflecting the subdued rate of growth in the marketplaces.

Overall EBITDA margin for 2022 was 9% (2021: 21%), with a much improved performance in the second half, where the margin was 15%, as the business took action in light of a softer spending environment and lower full-year revenue growth than originally expected. In current market conditions we seek to deliver annual margins that are high single digit or low double digit with the margin weighted to the second half. This of course excludes the standalone costs that will need to be established ahead of the proposed US listing.

We continued to build on our already strong marketplace partnerships, including the launch of direct integration with Amazon Marketing Cloud and Stream (achieving multiple times the engagement of any other organisation), while also becoming the market leader for Amazon Demand Side Platform in Europe. In addition, we became a preferred partner with Walmart's Content Excellence Program. In China we were the most awarded vendor at the Alimama Marketing Awards, (with six awards in total) and were one of the first companies to be awarded premium vendor status with ByteDance.

Performance across the two product types of the Digital Commerce business was as follows:

- **Execution** (75% of revenue), delivered Proforma revenue growth of 18%, which demonstrates the continued robustness of our business despite the broader market challenges. We saw impressive proforma revenue growth at Perpetua/Sellics of over 40% and over 100% at 4K Miles, partially offset by a decline in revenues at ASR with the business successfully completing the repositioning of its product during 2022 following the scaling back of the Onsite Publisher Programme by Amazon. ASR returned to good growth following this repositioning but nevertheless it necessitated a £25.6m non-cash accounting charge to partially impair its intangibles. Overall, we now have 25 Challenger customers each worth over $100k in revenue, while almost a third of our Challenger revenue now originates beyond Amazon.
- **Measurement & Benchmarking** (25% of revenue) recorded flat revenues year on year. On a Proforma basis in a year that was marked by a challenging trading environment in China for Yimian with significant periods of lockdown impacting end markets, customers and our own teams. As reported in the first half, we are focusing on future profitability by curtailing the collection of information of retailer sites outside of the top global marketplaces for the Edge Digital Shelf product and we have consequently incurred a one-off, non-cash, accounting charge to impair Edge intangibles of £31.4m and a £6.8m cash restructuring charge.

* Revenue from customer base in current period, compared to revenue from same customer base in the past period

	Year ended 31 December (£'m)		Growth (%)		
	2022	2021	Reported	Organic	Proforma
Revenue	**226.1**	147.3	54%	10%	14%
Adjusted EBITDA	**21.2**	31.1	(32%)	(31%)	(46%)
Adjusted EBITDA Margin	**9%**	21%			

Case study

flywheel

Leveraging campaign automation

Objective
This Consumer Packaged Goods (CPG) client wanted to increase sales, while simultaneously maintaining or reducing their cost-per-click rates for a specific segment of their business.

Solution
Flywheel started to leverage automation targeting in April 2022. This allowed Flywheel to undertake a more strategic approach with the client, by reducing the daily manual intervention work needed to optimise individual campaigns.

Outcome
From April 2022 to January 2023, Flywheel's efforts achieved a 295% increase in Return On Ad Spend (ROAS), a 72% decrease in cost-per-click (CPC), a 221% increase in sales, and a 70% increase in sales from non-branded keywords. Due to the strong results of the campaign automation, Flywheel has since rolled out this solution to other segments of the CPG brand, and they are already seeing positive effects.

Case study

flywheel

Improving campaign efficiency

Objective
Flywheel implemented Amazon Marketing Stream for three global manufacturing clients with a goal of improving campaign efficiency. They measured efficiency before and after implementation, to understand how the use of Amazon Marketing Stream can impact performance.

Solution
Through the data provided by Amazon Marketing Stream, the Flywheel Client team better understood changes in traffic conversion and cost throughout the day, allowing them to create unique strategies with each keyword and ASIN receiving their own models.

Outcome
Flywheel achieved a 24% increase in sales across all three advertisers' Sponsored Products campaigns, a 7% increase in clicks across all three advertisers' Sponsored Products campaigns, and a 10% increase in ROAS across all three advertisers' Sponsored Products campaigns, in comparison against their campaigns run before implementing Amazon Marketing Stream.

Digital Commerce market insights

Digital Commerce represents a sizeable and future-proof growth opportunity. Our top priority here is to accelerate the delivery of our strategy and the consolidation of our leadership position. Our brands' breadth of capabilities has no equivalent in the market right now and we are best placed to partner with global consumer products companies as well as challenger brands.

While global economic growth is stalling, ecommerce is here to stay

Shift in consumer habits proving resilient despite macroeconomic headwinds...
Ecommerce growth has slowed in the recent year following the 'return to normal' after the Covid crisis and the challenging macroeconomic conditions, as consumers released pent up demand to return to physical environments (stores). The second half of 2022 and into 2023 will be tough for businesses as well as for consumers facing a cost of living crisis. However, online purchases are here to stay, with entrenched customer habits. Sales made online are still growing faster, and gaining share compared to purchases made in bricks and mortar stores – growing eight times as fast in the US according to eMarketer. Consumer brand companies can no longer consider digital commerce as an add-on to their other distribution channels. Online retail sales now require digital-first strategies to capture a similar market share online to in store. Digital commerce is today the primary sales channel in many industries and is predicted to account for a significant share of CPG brand sales, between a quarter and half of sales in some categories in the US, in just the next 3 years[1] By 2026, global digital commerce sales are expected to total $8tn and to account for approximately 24% of total retail sales[1]. If a brand does not double down on Digital Commerce, they will suffer in the long run as competitors establish themselves and deliver execution excellence on the digital shelf.

Other macroeconomic challenges, such as the Ukraine conflict and the zero Covid case policy in China, had and are likely to continue to have an impact on brands' supply chains (e.g. global disruptions and material shortages, nearshoring decisions). These all have a negative impact on product availability, shipping times and customer experience.

2022 the year of Retail Media

Over the past year, retail media has gained an undisputed place in the advertising ecosystem. Retail media is advertising within a retailer's digital commerce sites, apps and further beyond through its store network – typically purchased by brands that wish to boost visibility on the digital shelf and promote their products closer to the point of sale. Retail Media has been taking share from other digital advertising channels like search or social. In the West, Amazon has established itself as the third largest media company after Google and Meta in just a few years. Retail media is expected to be one of the highest-growth media products and grow at 21% CAGR from 2022 reaching $100bn in 2026 in the US alone[2].

Retail media model is a key focal area of top retailers
Given the sheer size of the product catalogues on marketplaces in particular, searching for products is the most time-efficient behaviour for a consumer, rather than browsing. This leads to a strong selection bias where consumers overwhelmingly purchase highly ranked products. Hence the opportunity for digital marketplaces to monetise priority rankings as well as embedded ad placements – this is particularly relevant for retailers with large selection. Further, the retail media is highly profitable for retailers and as a result becoming a priority for them.

It was initially implemented by the digital pure players, such as Amazon, but more traditional retailers quickly followed suit and launched their own advertising platforms, developed internally (e.g. Walmart) or through partnerships with existing AdTech platforms (e.g. Criteo). Ambitions are high as evidenced by Walmart in the US which aims to become one of the top 10 advertising platforms by 2026. In pursuit of scale, Walmart has opened up its marketplace to Chinese sellers. This is taking place on a global scale. In Europe, Tesco and Carrefour have implemented new partnerships with AdTech players, but also Mercadolibre in Brazil and Shopee across South East Asia have been doubling down on the Retail Media opportunity.

Retail Media is here to stay and we believe that it will be more resilient in a time of macroeconomic weakness than the other types of marketing spend, as its efficacy is easier to measure and demonstrate.

With the deprecation of online cookies announced for mid 2024, digital consumer identifiers will be reduced to First-Party relationships[3]. This has also been fuelling the momentum of Retail Media due to the large quantity of high quality first party data possessed by the retailers.

1 Insider Intelligence forecast
2 BCG publication: How Retail Media is Reshaping Retail
3 First-Party data is information a company collects from its customer, it is primarily owned by retailers and brands

Selling online is critical and becoming increasingly complex for Brands

For most brands, marketplaces are the primary digital route to the consumer
While Amazon is widely recognised as a global digital marketplace, there are only a handful of marketplaces that can claim this status. Digital commerce is in fact both fragmented and local. This is due to the need for local fulfilment capabilities and localised consumer preferences. Consumers, when given a choice, will choose different platforms and arbitrage between product selection, delivery times, convenience and price. For instance, price-sensitive shoppers are more willing to collect products themselves if it is convenient and reflected in the price they pay.

Across most markets, we are seeing increased competition and fragmentation. Often a global marketplace competes with local brick and mortar retailers and their online and click-and-collect models, local last-mile delivery companies and local specialist marketplaces. This fragmentation is a challenge for brands, who need to profitably distribute their products across many new channels.

Brands require a major readjustment to operate successfully in the world of digital commerce
Brands need to adapt their go to market and supply chain from models that were designed over decades for brick and mortar, to ones that are optimised for digital commerce. By not moving quickly enough a brand is at risk of losing significant market share to competitors or smaller digitally ready players. At present, even the most advanced brands operate across fewer than 50 marketplaces – compared to the thousands of retailers they work with in over 130 countries – highlighting there is still a long way to go.

To succeed in digital commerce a global brand needs to succeed on multiple levels and orchestrate trade marketing, retail content, inventory and logistics operations seamlessly. In particular, it requires the right content, product description, image, price, page position, media placement, stock availability with rapid stock replacement etc. in the right place at the right time. With assortments of hundreds if not thousands of product listings, brands are faced with making up to millions of decisions per day across multiple marketplaces each with different requirements.

Further, on top of managing hundreds of levers on each marketplace, marketplaces are constantly evolving and increasing in sophistication and complexity through new functionalities (e.g. introduction of clean rooms, new API integrations) and ad formats (e.g. video, Demand Side Platforms and off-website networks). We expect this fast pace of change to continue in the foreseeable future.

Finally, once brands are operating effectively on multiple marketplaces, marketing investments will need to be optimised between the different channels. However, it is currently very challenging for brands to understand where their media investments are paying off the most across all platforms given the lack of standards, hence the need for consistent benchmarking tools.

All this complexity leaves brands with little choice but to use advanced technology and automation partners.

Product and technology leadership is more important than ever

Consolidation of services & the imperative for an all-in-one offering
Consumer products companies are continuing their path toward digital maturity with gradually more competent teams and in-house technological capabilities. This creates ever-evolving needs from brands and this will benefit the product and technology leaders, which have been heavily investing in cutting-edge technology and tools to drive superior results for their partners.

For Brands, the current digital environment is unquestionably competitive. The infinite shelf has lowered barriers to entry for brands to sell online. The looming recession is making it harder to sustain growth for players. However, as digital commerce continues to see higher growth and takes greater share of the market, brands should make ecommerce a core part of their strategy and investments. We believe that the winners of tomorrow should continue investing in their digital operations today and will build stronger market shares for the years to come.

Amongst the retail media specialist providers, competition is fierce too and we are observing a clear convergence of service to combine retail execution with measurement tools, in particular, the market has been through some consolidation with multiple company acquisitions. Offering the full suite of digital ecommerce retail optimisation tools will soon become a business imperative to partner with the largest companies. And that's a core principle of our product strategy. In particular, we are combining the ability for brands to benchmark the performance of their products across multiple marketplace channels and retail execution, which is highly differentiating.

As a first mover in the space we have assembled the critical capabilities and talent to help CPG companies succeed globally. We have also built the most advanced tools for challenger brands. We estimate that there are 10,000 Enterprise companies and 2-3 million sellers that our combined proposition could support. We have our finger on the pulse of the major marketplaces. Given our constant drive to bring value to our customers, we are best placed to be the consumer brands digital partner of choice today and tomorrow.

Product Design

Intelligence & Events

WGSN, a leading global supplier of trend forecasts, market intelligence and consumer insight, helps customers understand the future demands of consumers. Information is delivered principally through digital subscriptions to over 6,500 customers in more than 90 countries. The Product Design segment also includes trend products for SMEs in the fashion market (WGSN Start) and the innovative colour system Coloro.

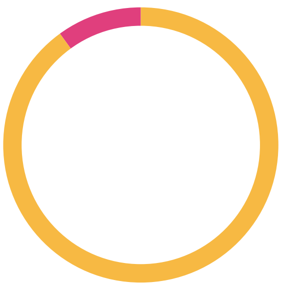
Revenue

£107.1m

Organic and Proforma revenue growth

+12%

Revenue streams by type (%)



Digital Subscriptions & Platforms	90%
Advisory	10%

Product Design's strong growth has continued with revenues growing by 12% year on year, driven by an excellent performance from subscriptions, where billings grew 11%, augmented by a similar growth in the Mindset advisory business and very good performances in the smaller Coloro and Start businesses.

Overall, the take-up of non-fashion products such as Consumer Insight, Beauty and, more recently, Consumer Tech, continues to be the chief engine of growth, now accounting for over 46% of subscriptions. Fashion products grew 2%.

Subscription renewal rates have remained strong and continued to grow in the year building on the post pandemic recovery we saw in 2021, now standing at record levels of over 95%. The business has also continued to maintain record high levels of NPS in the last two years, underlining the value of the information delivered to customers and the strength of its brand.

Product innovation continues to be a key driver for the WGSN platform, with multiple new features launched in the year, including a central, personalised landing page for customers, deploying advanced technologies to locate content targeted to individuals' roles, while promoting relevant content from platforms not yet included in customers' subscriptions.

Reflecting our clients' needs to understand short-term tactics alongside long-term forecasts, we also launched a "Critical Issues" section to our platform, advising on topics such as supply-chain issues caused by geo-political issues and the cost of living crisis.

Our advanced, AI-driven, data-rich trend forecasting service, TrendCurve+, launched in April 2022. This product combines inputs from WGSN's unique proprietary data sources, applying deep machine-learning algorithms to generate trend projections across thousands of key items, silhouettes and colours, and is now being utilised by leading brands and retailers across the globe to inform their buying decisions.

Finally, there were five "WGSN Live" digital broadcasts during the year, connecting our experts with more than 10,000 individuals across the globe to learn more about topics ranging from sustainable circular product design to strategies for recession resilience.

	Year ended 31 December (£'m)		Growth (%)		
	2022	2021	Reported	Organic	Proforma
Revenue	**107.1**	91.3	17%	12%	12%
Adjusted EBITDA	**49.1**	41.3	19%	12%	12%
Adjusted EBITDA Margin	**46%**	45%			

Case study

WGSN

Designing for evolving consumer mindsets

Objective
Peapod Digital Labs is the digital, e-commerce and commercial engine of Ahold Delhaize USA, one of the nation's largest grocery retail groups which includes brands such as Food Lion, Giant Food, The GIANT Company, Hannaford and Stop & Shop. The Trends team is focused on innovation and new product design for the general merchandise and seasonal gifting ranges that are sold by the U.S. brands. With the goal of creating stand out products that sell through quickly in store, they're constantly on the lookout for the latest trends and consumer insights.

Solution
Peapod Digital Labs used content from WGSN Insight to inform their product design recommendations. One of the key topics that resonated with the team was consumer need for optimism in a post-pandemic world. Connecting closely to trends such as joyful expression, Peapod Digital Labs were able to explore how consumer mindsets are impacting product design through the desire for bright colours, expressive design and a reason to be optimistic. As a result, they directed the design for a melamine range of children's tableware, including plates, bowls and cups.

Outcome
The offering was a huge success at retail. Within the first five weeks of being available, the line was over 70% sold through. The success of joyful design was also seen in more general decor targeted at the adult shopper.

"Early indications that consumers were craving colour and optimism as they continued to weather the pandemic were validated by the insights we gleaned from WGSN that ultimately informed the launch of the melamine line. The results were a tremendous sell through and far exceeded sales targets for the consumer facing brands, which illustrates the power of a team that enables decisions supported by data and the latest insights."

Venita James
Manager, Sourcing Trends and Insights, Peapod Digital Labs

WGSN market insight

There are several clear trends which are currently driving expansion of the Product Design market as well as increased penetration of providers such as WGSN.

Declining brand loyalty
Brand loyalty is reducing, with consumers increasingly willing to try new products and brands in response to shifting their priorities and preferences. As a result, being on trend and understanding what your customer segments will want in 12-18 months is critical for brands to building meaningful connections and retaining customers.

Globalisation of trends
Trends today are global, with consumers influencing each other across geographies. This means: 1) trends will be increasingly important for small, local brands, as their consumers will reflect global trends, and 2) trends will be harder to track in-house.

Businesses will also need to better understand trend variation by geography.

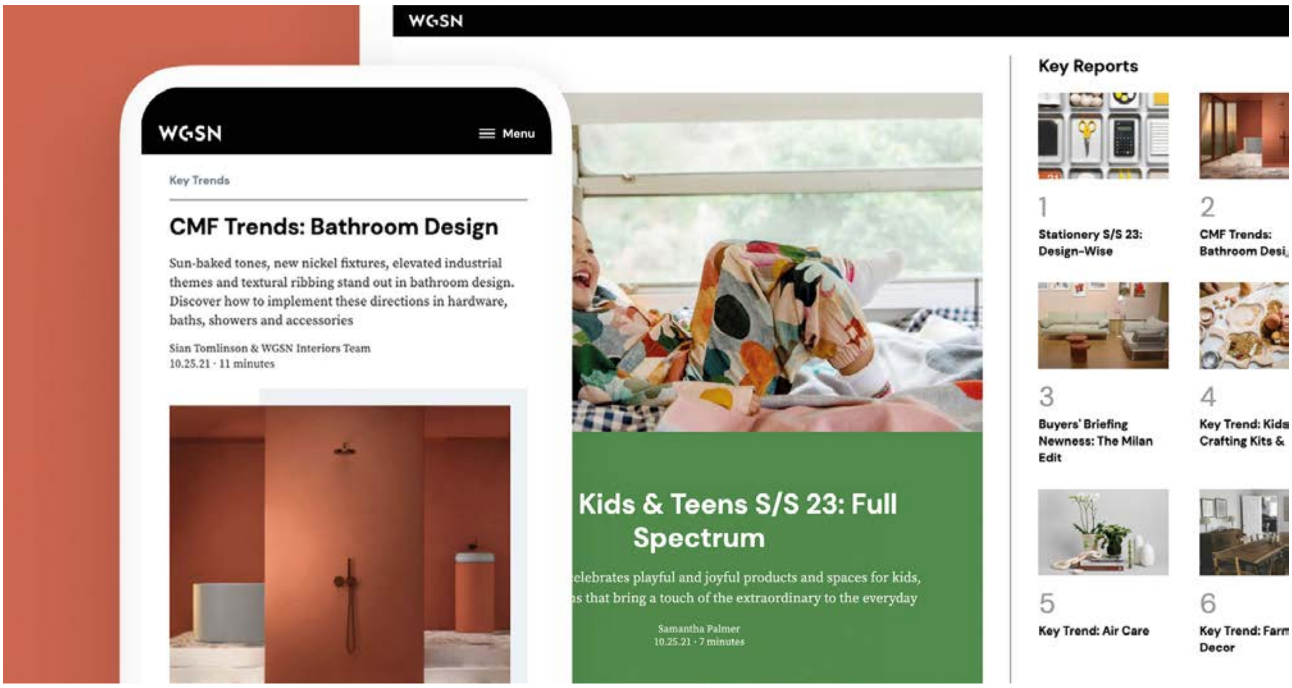
Fragmentation of trend setting
The proliferation of data sources, notably social media, has made it increasingly difficult for brands to identify and forecast trends in-house; tracking social on its own is not enough, as influencers are often sponsored and not an accurate reflection of broader consumer trends.

Increased Focus on Sustainability
Brands and consumers are increasingly focused on corporate social and environmental responsibility, e.g. waste management in Fashion. Being on trend at the right volume and for the right amount of time is critical to reducing overproduction and waste.

Shorter Product Cycles
Businesses are developing and launching products faster, but fast fashion remains a small share of product range (as it is not as economical or sustainable) and is not fast enough to render trend information irrelevant – brands (including fast fashion brands) continue to rely on longer-term trend forecasting.

Pricing
Inflation and increased value of trend forecasting have enabled like-for-like price growth.

Strong underlying end markets
Key consumer verticals are large (£13tn+ in total) and have shown strong recent value growth, ranging from +4-43% (2020-21) – Media & Entertainment, Consumer Tech, Auto, Fashion, and Sports & Outdoor verticals in particular growing at double digits.



Events

This division comprises the Marketing and Retail & Financial Services segments and the combined performance, including the results of RWRC which was sold on 30 December 2022, was as follows:

	Year ended 31 December (£'m)		Growth (%)		
	2022	2021	Reported	Organic	Proforma
Revenue	**191.2**	110.7	+73%	+70%	+70%
Adjusted EBITDA	**71.7**	36.5	+96%	+83%	+83%
Adjusted EBITDA Margin	**37%**	33%			

Events market insight

Lions, WARC and Money 20/20

We service the Marketing and Financial Service sectors with our exceptional B2B events and intelligence business. Our well established premium events support the global ecosystems of our customers enabling them to partner, trade, network and learn. Our events customers have a broad geographic spread coming from over 130 countries and reward us from multiple revenue sources with our intelligence (non dependent on physical events) a world class third of our income.

The business of money continues to be dynamic, distributed and healthy with long term growth expectations. Money20/20 is at the heart of the Financial Services industry and continues to see strong demand for its services. The level of investment in FinTech peaked in 2021 and 2022 returned to a more sustainable level which we expect to continue in 2023. Some regions like Singapore had increased investment in 2022 compared to 2021 giving confidence that our launch of Money20/20 Asia in Bangkok in April next year will be a strong addition.

In our Marketing segment Lions and WARC continued to see strong revenue growth and in 2022 our physical event in Cannes returned with a robust comeback. Our proprietary benchmarking data is critical to measuring creativity in the marketing industry. The advertising industry is expected to continue to grow in 2023. We continue to see increased involvement from brand owners in the take up of our marketing services.

The Marketing and Financial Service sectors have opportunities for continued growth from improving penetration. For example, WARC in the USA, geographic expansion with the launch of Money20/20 in Asia, pricing opportunities with sponsors increasing order values across both events and product innovation such as the launch of a Money20/20 digital offering.


CREATIVE COMPANY OF THE YEAR


GRAND PRIX
CANNES LIONS
#canneslions2022
www.lovethework.com
"Super. Human."
Tokyo Paralympics 2021
4creative, London
United Kingdom

Marketing

Intelligence & Events

The Marketing segment comprises Lions and WARC. Lions, through its awards and festival, as well as its subscription and advisory products, is the global benchmark for creativity in the branded communications industry, while WARC is the global authority on marketing effectiveness for brands, agencies and media platforms.

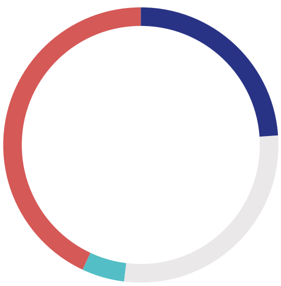
Revenue

£99.2m

Proforma revenue growth

74%

Revenue streams by type (%)



Digital Subscriptions & Platforms	24%
Benchmarking Awards	28%
Advisory	5%
Events	43%

Marketing's strong recovery continued into 2022. Following the return of the Lions benchmark awards in 2021 in a purely digital format, the physical festival returned to Cannes in June 2022 for the first time since 2019. Record levels of customer engagement, through physical sponsorship activations and delegate participation throughout the week, resulted in Lions revenue overall exceeding 2019 levels by 8%.

The three main revenue streams within Lions revenue are Awards, Delegates and Partnerships & Digital, with each accounting for roughly a third of revenue. For Lions Awards, while entry volumes of 25,000 were lower compared to 29,000 in 2021 (which covered two years of eligibility), revenue was nevertheless robust. The engagement was particularly strong in the newly launched Creative B2B category, drawing on creativity in new disciplines and business areas, while the Creative Effectiveness Lions, the only global benchmark of the measurable impact of creativity, continued to see a strong increase in entries. For Lions regional awards (Eurobest, Dubai Lynx and Spikes Asia) the combined revenues were in line with the 2021 events, with in-person awards returning to Dubai.

In terms of delegates, while total attendees of 10,600 were down slightly compared to the 11,700 attendees at the 2019 event, it should be noted that a portion of the world's population, particularly in Asia, remained unable to travel outside their countries due to ongoing pandemic restrictions. Partnership revenues reached record levels this year, exceeding an already high comparable in 2019. Demand for onsite activations from major partners was particularly strong, including substantial programmes run by eCommerce marketplaces for the first time.

Lions subscription revenue (7% of Lions revenue) continued to grow at a good pace with annual subscription revenues growing over 20% vs 2021, bolstered by renewal rates of over 90% for The Work. Advisory, which provides insights using Lions awards intelligence and respected creative excellence training programmes, grew 4% over 2021.

Following strong levels of re-booking, booked revenues for the 2023 Festival currently stand at a more than 50% higher than at the same point last year.

Further expanding Marketing's digital subscription base, WARC saw strong full year revenue growth of 21%, with renewal rates in excess of 95%, bolstered by the launch of the new Marketing Effectiveness Platform. June also saw the launch, at the Lions Festival, of the WARC Digital Commerce product, including benchmarking tools, best practice and data points drawing on the expertise of the Digital Commerce business.

	Year ended 31 December (£'m)		Growth (%)		
	2022	2021	Reported	Organic	Proforma
Revenue	**99.2**	56.5	76%	74%	74%
Adjusted EBITDA	**40.1**	25.6	56%	58%	58%
Adjusted EBITDA Margin	**40%**	45%			

Case study

LIONS

Developing creative excellence

Objective
In 2018 the world's leading brewer, Anheuser-Busch InBev (AB InBev), embarked on a journey to evolve from brand buyers to brand builders. Its historical playbook of mergers & acquisitions and cost efficiencies had helped AB InBev become the global category leader, but with limited scope for further acquisitions, the company realised that new marketing capabilities would be required to drive organic growth – particularly in brand building and creative effectiveness. So AB InBev set an ambitious dream: to become the leading company in the world at creative effectiveness. Recognising Cannes Lions as a global benchmark for creative excellence, AB InBev decided to use the number and breadth of Lion wins as a measure of its progress, with the ultimate ambition to become the Cannes Lions Creative Marketer of the Year in five years time.

Solution
To support its evolution, AB InBev partnered with LIONS across a number of initiatives. The initial phase involved selling in the business case for creativity, and upskilling stakeholders on what best-in-class creativity looks like. LIONS presented its advisory presentation "Creativity Matters" to key leaders which helped prove the connection between award-winning creative work and financial performance. AB InBev also attended its first Cannes Curated programme, produced by LIONS, in 2018. This bespoke itinerary with private learning sessions provided world-class external expertise, insight and inspiration for fifty of AB InBev's top marketers from around the world. Next the goal was to develop the understanding and practice of creative excellence. LIONS Consultant Cinzia Morelli-Verhoog designed a one-day programme for the USA marketing team to embed foundational principles of creative excellence. This was followed with workshops to review and revise the strategic assets for individual brands. In 2020 this programme was expanded globally, with Cinzia and the LIONS team conducting training and brand repositioning sessions with priority markets around the world through AB InBev's Marketing Academy. Complementing this, LIONS continued to deliver and evolve the annual Cannes Curated programmes for AB InBev's team, with attendance growing each year; AB InBev also subscribes to The Work, LIONS' intelligence platform, providing daily access to insights and examples of best-in-class creativity. LIONS also helped instigate a creative council for AB InBev to evaluate its work, which now forms a core part of Creative X, AB InBev's creative excellence ecosystem. These combined initiatives formed an ongoing source of training, insight, inspiration and expertise to support AB InBev on its ongoing creative excellence journey.

Outcome
The partnership with LIONS has proven to be pivotal in helping AB InBev transform its creative capabilities and embed a culture of creative effectiveness. The programme has allowed AB InBev to establish a new standard for its creative work and culture, with new processes and tools for training and evaluating creativity.

The results of this are translating into improved creative and financial performance. At the outset in 2018, ABInBev was ranked #27 on the global creativity ranking. At the Cannes Lions 2020/2021 awards, AB InBev amassed an outstanding haul of 40 Lions; two Grands Prix, two Titanium, nine Gold, 10 Silver and 17 Bronze Lions in total, (moving to #5 on the Global Creative Ranking). The following year Cannes Lions announced that it would honour AB InBev as the Creative Marketer of the Year. The honorary accolade is presented to a marketer that has amassed a body of Lion-winning work over a sustained period of time, and has established a reputation for producing brave creative and innovative marketing solutions. In 2022, crowned as Creative Marketer of the Year, AB Inbev also picked up its largest haul of Lions to date – 49 in total, including the Grand Prix for Creative Effectiveness, 10 Gold Lions and a Silver Lion for Creative Business Transformation.

This enhanced creative performance has translated into improved financial performance, as AB InBev delivered 11.3% top-line growth in FY2022 as compared to FY2021. Its creative performance is so important to AB InBev that Michel Doukeris listed the number of Lion wins on his quarterly investor conference calls and webcasts. Following its success in the Lions in 2022, AB InBev has gone on to win the Creative Marketer of the Year accolade for a second consecutive year – the only company to achieve this in the history of the Festival. The award recognises AB InBev's sustained creative excellence that has driven continuous organic business growth.

"Lions has been a critical partner throughout AB InBev's journey to elevate and champion creative effectiveness across our business. From collaborating with Lions Advisory to develop our marketing and creative capabilities through our Marketing Academy, to the inspiration, benchmarking and world-class learning experience offered by the Cannes Lions awards and curated Festival experience, Lions has played a key role in helping us establish creativity as a powerful capability to solve consumer and business problems and drive growth."

Marcel Marcondes
Global Chief Marketing Officer
AB InBev


CREATIVE MARKETER
OF THE YEAR 2022
BRAHMA

Retail & Financial Services

Intelligence & Events

Money20/20 is the world's leading platform where the global fintech communities come together to do business. The Retail and Financial Services segment also comprises Retail Price & Promotion and, until its sale on 30 December 2022, Retail Week World Retail Congress ("RWRC").

Revenue

£92m

Proforma revenue growth

65%

Revenue streams by type (%)

Digital Subscriptions & Platforms	7%
Events	91%
Advisory	3%

In June 2022 Money20/20 Europe, returning to its familiar slot in the industry's calendar from the September date in 2021, attracted more than 7,500 attendees, from over 2,300 companies and over 90 countries, to Amsterdam. In October 2022 Money20/20 US was held in Las Vegas attracting more than 13,000 attendees, from over 3,500 companies and over 90 countries. Both events grew substantially, with the US growing by two-thirds vs both 2019 and 2021 and Europe more than doubling vs 2021 and up a third vs 2019.

Both events saw the volume of customer meetings booked via the Money20/20 App more than double compared to the prior year, cementing Money20/20 as the place where the industry comes together to do business. Investments made in product, technology and operations during the pandemic delivered good returns for the business in both revenue and profit and in customer satisfaction, while the strong customer engagement was illustrated by a high level of rebooking for both events. Forward bookings for the 2023 editions are strong compared to both prior years and pre-Covid comparable figures – at the date of this report on a combined basis, forward bookings were more than 30% higher than the same time last year.

The fintech end market and the broader payments ecosystem which Money20/20 serves remained robust throughout the pandemic underlining that it continues to represent a long-term global growth sector. Despite recent reductions in funding and valuations of companies in certain sub-segments of the customer base from 2021 highs, the long-term trend remains strong.

In Retail Price & Promotion, improvements were driven through new product development and shared retailer relationships and expertise across the segment.

On 30 December 2022, RWRC was sold to William Reed Ltd after both Retail Week Live and Retail Week Awards returned to the first half of the year, while the global platform of World Retail Congress (last held in 2019) also ran in Rome in April. RWRC recorded revenues of £7.4m and Adjusted EBITDA loss of £0.1m in 2022.

	Year ended 31 December (£'m)		Growth (%)		
	2022	2021	Reported	Organic	Proforma
Revenue	**92.0**	54.2	70%	65%	65%
Adjusted EBITDA	**31.6**	10.9	190%	140%	140%
Adjusted EBITDA Margin	**34%**	20%			

Case study

MONEY 20/20

Accelerating brand awareness

Objective

This client, a global leader in financial services offering solutions to the world's most important corporations, governments and institutions, has been a long time global partner of Money20/20. Despite being recognised as a top innovating businesses in the US, going into 2022, they didn't yet feel seen globally as an innovator. They recently relaunched their core payments offering and needed to continue to elevate brand awareness.

Solution

The bank took a feature lounge space, allowing them to showcase their cutting edge technology within an area embedded into the delegate experience. Bringing visibility to their core solutions, they partnered with Money20/20 Europe 2022 on the development of a content summit – bringing to the stage different global partners to showcase their own breadth of business and aligning themselves with global leaders.

Outcome

While exhibiting at Money20/20 Europe 2022, this client got the requisite brand visibility they were after and acquired over 500 leads with potential partners and clients. The client was able to drive brand awareness onsite by aligning with a high traffic feature area, giving them high visibility and foot traffic. This immediate success prompted them to confidently book for Money20/20 US 2022 and rebook for Europe 2023.


LCOME
Fabulous
NEY20/20
MONEY
20/20

Financial review

Mandy Gradden
Chief Financial Officer

"The results are set out in the consolidated statement of profit or loss and show, for continuing operations, revenue of £524.4m and an operating loss of £94.2m. Adjusted EBITDA was £121.1m with the improvement driven in large part by the return of the in-person Cannes Lions festival and record results of both editions of Money20/20."

Overview

The results are set out in the consolidated statement of profit or loss and show, for continuing operations, revenue of £524.4m (2021: £349.3m) and an operating loss of £94.2m (2021: £26.7m loss). Adjusted EBITDA was £121.1m (2021: £88.9m) with the improvement driven in large part by the return of the in-person Cannes Lions festival and record results of both editions of Money20/20. We delivered strong operating cash flow performance for the year with free cash flow from continuing operations after tax and capex of £90.0m (2021: £57.7m), an operating cash flow conversion of 104% (2021: 95%) and a free cash flow conversion of 74% (2021: 65%).

The £94.2m operating loss for the year is driven by the Adjusting items including amortisation and impairment of acquired intangibles, share-based payments, earnout expenses and other non-trading items as set out in more detail below.

Alternative Performance Measures

A core KPI and strategic goal of the Company is Organic revenue growth rate. We believe that this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth rate eliminates the impact of acquisitions (counting them only once they have been owned for 12 months) and disposals and that element of growth which is driven by changes in foreign exchange rates. It also eliminates the impact on growth rates of changes, if any, in timing of live events and of products that are being curtailed (namely in 2022 Sellics advertising products and certain aspects of Edge Digital Shelf). It is an Alternative Performance Measure and is discussed in more detail on page 43. Proforma growth rate is measured in a similar way to Organic growth rate but assumes that the Group's acquisitions were all made on 1 January 2021 and is therefore a measure of the like-for-like rate of growth of the brands owned today.

Adjusted EBITDA is also an Alternative Performance Measure and is used in the day-to-day management of the business to aid comparisons with peer companies, manage banking covenants and provide a reference point for assessing our operational cash generation. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from non-trading activities, intermittent or non-recurring events, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation.

Further details on Alternative Performance Measures are set out below.

Continuing operations

The results for the year ended 31 December 2022 are summarised in the table below.

			Growth rate		
£'m	**2022**	2021	Reported	Organic	Proforma
Revenue	**524.4**	349.3	50%	30%	29%
Adjusted EBITDA	**121.1**	88.9	36%	23%	15%
Operating loss	**(94.2)**	(26.7)	nm	nm	nm

Segmental results

The Group has four reportable segments. These are Digital Commerce, Product Design, Marketing and Retail & Financial Services. Information regarding the results of each is included below.

£'m	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate costs	Continuing operations
2022						
Revenue	**226.1**	**107.1**	**99.2**	**92.0**	**–**	**524.4**
Organic growth	10%	12%	74%	65%	–	30%
Proforma growth	14%	12%	74%	65%	–	29%
Adjusted EBITDA	**21.2**	**49.1**	**40.1**	**31.6**	**(20.9)**	**121.1**
Organic growth	(31%)	12%	58%	140%	(3%)	23%
Proforma growth	(46%)	12%	58%	140%	(3%)	15%
Adjusted EBITDA margin	9%	46%	40%	34%	–	23%
Depreciation and software amortisation	(17.8)	(3.3)	(2.6)	(0.9)	(1.1)	(25.7)
Adjusted operating profit / (loss)	**3.4**	**45.8**	**37.5**	**30.7**	**(22.0)**	**95.4**
2021						
Revenue	147.3	91.3	56.5	54.2	–	349.3
Adjusted EBITDA	31.1	41.3	25.6	10.9	(20.0)	88.9
Depreciation and software amortisation	(10.0)	(2.9)	(3.0)	(1.8)	(1.8)	(19.5)
Adjusted operating profit / (loss)	21.1	38.4	22.6	9.1	(21.8)	69.4

Revenue

The Company benefits from diverse revenue streams across its segments ranging from digital subscriptions to live events to advisory. Most of these revenue streams are digital and have recurring or repeat characteristics benefiting from our focus on customer retention.

£'m	Timing of revenue recognition	**2022**	2021
Digital Subscriptions & Platforms	Over time	**213.9**	136.2
Advisory	Over time	**12.2**	11.1
Digital Commerce		**226.1**	147.3
Digital Subscriptions & Platforms	Over time	**95.9**	81.9
Advisory	Over time	**11.2**	9.4
Product Design		**107.1**	91.3
Digital Subscriptions & Platforms	Over time	**23.9**	18.2
Advisory	Over time	**5.2**	3.7
Benchmarking Awards	Point in time	**27.8**	29.3
Events	Point in time	**42.3**	5.3
Marketing		**99.2**	56.5
Digital Subscriptions & Platforms	Over time	**6.3**	10.8
Advisory	Over time	**2.3**	2.7
Events	Point in time	**83.4**	40.7
Retail & Financial Services		**92.0**	54.2
Revenue from continuing operations		**524.4**	349.3

Revenue from continuing operations grew to £524.4m (2021: £349.3m), an increase of £175.1m or 50%. Adjusting for currency impacts, acquisitions and discontinued products, revenue increased by 30% on an Organic basis or 29% on a Proforma basis. This was driven by the continued structural growth of our Digital Commerce and Product Design segments as well as the full return of our live events in the Marketing and Retail & Financial Services segments.

Adjusted EBITDA

Adjusted EBITDA from continuing operations grew to £121.1m (2021: £88.9m) an increase of £32.2m or 36%. This represented Organic growth of 23% or 15% on a Proforma basis.

Adjusted EBITDA margin from continuing operations decreased slightly from the prior year to 23.1% (2021: 25.5%). This reflects lower margins in our Digital Commerce segment where in the first half of the year we maintained the pace of investment ahead of revenue growth and, to a lesser extent, by the return of physical event costs in our Marketing segment. This is partially offset by the significant live events growth in Retail & Financial Services and expanded margins in Product Design.

Reconciliation between Adjusted EBITDA and statutory operating loss

Adjusted EBITDA from continuing operations is reconciled to statutory operating loss as shown in the table below.

£'m	2022	2021
Adjusted EBITDA	**121.1**	88.9
Depreciation and software amortisation	**(25.7)**	(19.5)
Adjusted operating profit	**95.4**	69.4
Amortisation of intangibles	**(34.6)**	(31.9)
Impairment of intangibles	**(57.0)**	–
Share-based payments	**(15.9)**	(8.4)
Non-Trading items	**(82.1)**	(55.8)
Statutory operating loss	**(94.2)**	(26.7)

Impairment of acquired intangible assets

The Company undertakes a periodic review of the carrying value of its goodwill and indefinite life intangible assets and, if there is an indicator of impairment, its finite life intangible assets. In 2022, we recorded two impairments as a result:

- As reported at the half year during 2022, the decision was made to change the focus of the Edge Digital Shelf offering to our clients within the Digital Commerce segment and, as a result of this change, certain intangible assets associated with this product are no longer generating sufficient value to support the carrying value and an impairment charge of £31.4m was recorded in the first half.
- As part of our year-end impairment review process, we identified an indicator of impairment within the ASR business (which represents 6% of the revenue of the Digital Commerce segment). The indicator was triggered by ongoing action by Amazon to reduce both the media inventory and commission rate for its on-site review product (the OSP product) which generated 30% of ASR's revenue in 2022. This is the only product we offer in the Digital Commerce business where we are a cost, rather than a revenue stream, to Amazon. While our original acquisition plans accounted for the risk of a reduction in the income from Amazon for this OSP product over the period of five years, it has become increasingly evident during the second half of 2022 that the OSP product is deprecating faster than we projected. Since we acquired ASR our focus has been building brand income led products for the business. These have grown strongly over the last 18 months and we are pleased that they now exceed 70% of the revenues of ASR.
- ASR's publishing product is our only cost-linked product with Amazon; all others generate revenue for Amazon, or we create revenue directly from brands. Amazon continues to reduce its inventory and commissions for these cost-related products, directly replacing them with revenue-generating advertising products on the site.
- The ASR customer base is a valuable asset within Digital Commerce and we are seeing considerable success in cross selling the services of Perpetua, 4K Miles and Flywheel to ASR customers. We typically achieve a multiple of more than 2x the ASR revenue with cross sold products. Despite the value of the ASR customer base to other parts of the Digital Commerce business, we are unable to attribute those revenues to the ASR cash generating unit and have therefore recorded an impairment of £25.6m representing approximately 45% of the carrying value of the ASR intangibles.

We have considered and concluded that there are no other impairment triggers in the rest of the Group. See Note 16 to the financial statements for further details. No impairments were identified in the comparative period of 2021.

Share-based payments

The charge for share-based payments of £15.9m (2021: £8.4m) was higher in 2022 than in 2021 due to the issuance of new awards in the second half of 2021 and also because 2021 was suppressed by certain Covid-driven lapses of awards.

Non-Trading items

The Company has incurred significant non-trading items in 2022 which have been treated on a basis consistent with our policy and with previous years as set out in the table below and further explained in Note 6 to the financial statements.

£'m	2022	2021
Deferred contingent consideration	**31.4**	29.9
ERP and Salesforce implementation	**21.6**	16.9
Strategic review costs	**15.0**	2.8
Transaction and integration costs	**9.4**	6.2
Costs associated with the Digital Shelf pivot	**6.8**	–
Profit on disposal of business and investment	**(6.0)**	–
Property impairments and other	**3.9**	–
Non-Trading items relating to continuing operations	**82.1**	55.8

The charge for deferred contingent consideration of £31.4m (2021: £29.9m) predominantly relates to earnouts that are contingent on continuing employment of the founders on the acquisitions of WhyteSpyder, OneSpace, 4K Miles, DZ and Perpetua as well as revaluations of the earnouts, including Sellics and Intrepid.

In 2021, the IFRIC published an agenda decision on the design and implementation costs for business systems built upon software that is contracted on a "software as a service" (SaaS) basis and hosted in a public cloud. This resulted in an amendment to the treatment of costs incurred on the Company's new ERP and Salesforce systems under IAS 38 "Intangible Assets". In response to the IFRIC decision, the Group's accounting policy on intangible assets was updated, resulting in the majority of implementation costs on SaaS implementations incurred to date no longer being capitalised but expensed as incurred. The Group is undertaking a multi-year programme to introduce a new ERP to replace the current Oracle system introduced in 2007 and a new instance of Salesforce, both of which are cloud-based. Costs relating to this significant and non-recurring programme totalled £21.6m (2021: £16.9m) and, given the scale and incidence as a once in a decade investment, have been treated as non-trading items.

A significant non-trading item in 2022 was the costs of the strategic review, the results of which were announced in January 2023. The costs relate to resources and professional fees for project management, tax, US GAAP conversion and audit and legal advice as well as severance and retention incentives for key personnel impacted by the proposed separation of the Group.

Transaction and integration costs comprise professional fees for diligence and legal costs as well as the costs of integrating acquisitions which is a significant workstream within Digital Commerce given the seven acquisitions made in 2021 with two further acquisitions in 2022.

As mentioned above, the change to the Digital Shelf product resulted in an impairment of the Edge intangibles in the first half. Furthermore, significant redundancy costs and supplier support costs were incurred in the second half of the year as a result of this decision resulting in a total cash cost of £6.8m.

During 2022 the Company disposed of its investment in Analytic Index and of RWRC resulting in a profit on disposal of £6.0m.

Finally, the Company has incurred costs of £3.9m relating to onerous property leases as a result of business reorganisations and changing working patterns post Covid. These costs are material and have been treated consistent with the approach adopted for similar items in 2020.

Net finance costs

The net finance cost from continuing operations for the year ended December 2022 was £18.7m (2021: £10.4m) as set out in the table below:

(£ million)	**2022**	2021
Interest income on deposits, investments and vendor loan note	**3.6**	2.5
Fair value gain on derivative financial instruments	**4.3**	0.2
Foreign exchange gain	**0.5**	–
Adjusted finance income	**8.4**	2.7
Interest payable on external borrowings	**(9.6)**	(8.6)
Amortisation of arrangement fees	**(0.8)**	(0.9)
Discounting of contingent and deferred consideration	**(10.3)**	(9.0)
Discount unwind of lease liability	**(1.1)**	(1.0)
Foreign exchange loss	–	(0.6)
Adjusted finance costs	**(21.8)**	(20.1)
Adjusted net finance costs	**(13.4)**	(17.4)
Foreign exchange on deferred consideration	**(1.3)**	–
Covenant costs	–	(0.8)
Remeasurement of trade investment to fair value	**(4.0)**	7.8
Adjusting finance (costs) / income	**(5.3)**	7.0
Net finance costs from continuing operations	**(18.7)**	(10.4)

The Group's adjusted net finance costs have decreased from £17.4m in 2021 to £13.4m in 2022 driven mainly by the fair value gains on the Group's US dollar and euro interest rate caps partly offsetting the significantly higher interest expense in the second half of the year as interest rates rose for both our US dollar and euro borrowings.

The major items in interest income relate to interest receivable from Hudson MX Inc ("Hudson") of £3.2m (2021: £nil) and, in 2021, from the Vendor Loan Note on the sale of Built Environment & Policy of £2.5m. The unwind of the discount on deferred contingent consideration is similar to the prior period totalling £10.3m (2021: £9.0m) driven by new acquisitions being offset by final settlement of older earnout agreements.

Meanwhile, Adjusting finance costs include the remeasurement of trade investments to fair value relates to the downwards revaluation of the investment held in Infosum of £4.0m (2021: upwards £7.8m) together with foreign exchange on deferred consideration.

Taxation

A tax charge of £21.0m (2021: £8.2m) was incurred on Adjusted profit before tax of £79.4m (2021: £49.6m) resulting in an Adjusted effective tax rate for the year of 26% (2021: 17%) which compares to the effective tax rate of 10% (2021: 4%) on reported losses as can be seen in the table below.

Analysis of tax charge (£'m)	**2022**	2021
Adjusted profit before tax	**79.4**	49.6
Tax charge on Adjusted profit before tax	**(21.0)**	(8.2)
Effective tax rate (%)	**26%**	17%
Adjusting items	**(195.5)**	(89.2)
Tax credit on Adjusting items	**32.3**	9.8
Effective tax rate on Adjusting items (%)	**17%**	11%
Reported loss before tax	**(116.1)**	(39.6)
Tax credit on reported loss before tax	**11.3**	1.6
Effective tax rate on reported loss before tax (%)	**10%**	4%

The effective tax rate on Adjusted PBT has increased from 17% to 26% because the prior period benefitted from discrete credits relating to the revaluation of a net deferred tax asset for the forthcoming change in UK tax rates. The low effective tax rate on Adjusting items reflects the non-deductible nature of many of these items.

The Group has a total recognised net deferred tax asset of £51.7m (2021: £51.2m) comprising a £29.4m (2021: £26.1m) deferred tax liability on non-deductible intangibles and an asset of £81.1m (2021: £77.3m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles. The gross asset is expected to be realised in cash over the next 10 years with the majority recovered in the next five years. When considering the net deferred tax balance by entity this is presented as a gross asset of £60.3m offset by a deferred tax liability of £8.6m.

Discontinued operations

For the year ended 31 December 2022, there are no entities or segments disclosed as discontinued operations. Costs of £0.9m were incurred during the year in relation to finalisation of a small number of transactions from the prior year disposals of the Built Environment & Policy segment and of MediaLink.

Profit after tax

The Group recorded a total statutory loss after tax of £105.7m (2021: profit of £223.9m) arising from a loss on continuing operations of £104.8m (2021: loss of £38.0m) and a loss on discontinued operations of £0.9m (2021: profit of £261.9m).

Foreign currency translation impact

The Group's reported performance is sensitive to movements in both the euro and US dollar against pounds sterling with significant acquisitions denominated in US dollars and events revenues in euro and US dollars. The dollar / sterling exchange rate has been especially volatile, particularly in the fourth quarter, which has benefitted our reported financial performance as set out below.

	Weighted average rate			Year-end rate		
Currency	**2022**	2021	Change	**2022**	2021	Change
Euro	**1.17**	1.17	0.0%	**1.13**	1.19	5.0%
US Dollar	**1.18**	1.37	13.9%	**1.21**	1.35	10.4%

When comparing 2022 and 2021, changes in currency exchange rates had a favourable impact on revenue and adjusted EBITDA of £22.8m and £9.4m. On a segmental basis, the impact of changes in foreign currency exchange rates was as follows:

- Digital Commerce: £12.5m impact on revenue and £5.1m impact on Adjusted EBITDA
- Product Design: £4.2m impact on revenue and £2.7m impact on Adjusted EBITDA.
- Marketing: £0.4m impact on revenue and a (£0.1m) impact on Adjusted EBITDA.
- Retail & Financial Services: £5.7m impact on revenue and £2.2m on Adjusted EBITDA.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the results were restated for sterling weakening by 1% against the US dollar and euro in isolation.

	2022		2021	
£'m	**Revenue**	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Increase in revenue/ Adjusted EBITDA if, in isolation, sterling weakens by 1% against the:				
Euro	**1.3**	**1.0**	0.6	0.5
US dollar	**2.8**	**1.2**	1.9	0.9

Furthermore, each 1% movement in the euro to pounds sterling exchange rate has a £1.1m (2021: £0.9m) impact on the carrying value of borrowings. Each 1% movement in the US dollar has a circa £1.9m (2021: £0.7m) impact on the carrying value of borrowings.

Earnings per share

Continuing Adjusted diluted earnings per share were 12.9p per share (2021: 9.5p).

Total diluted loss per share was 21.9p (2021: earnings of 53.5p) with the prior year benefitting from the significant profit realised on the disposal of the Built Environment & Policy businesses.

Acquisitions

We regularly assess opportunities to acquire high-growth products and capabilities to serve our key end markets and in particular Digital Commerce. In the year we completed the acquisition of two companies in the Digital Commerce segment and paid initial cash consideration (net of cash acquired) of £60.8m plus contingent consideration payable in 2023-2026 of £12.9m.

Sellics

In April 2022, the Group acquired 100% of Sellics Marketplace Analytics GmbH ("Sellics") for an initial cash consideration of £17.2m, plus estimated earnout payments payable over 4 years resulting in an estimated total consideration (including the initial consideration) of approximately £20.0m. Sellics provides a mix of advertising spend optimisation, campaign automation and profit analytics, through a suite of software solutions, to challenger brands that trade on Amazon across the US and Europe. Sellics has been integrated into challenger brand specialist Perpetua within Digital Commerce.

Intrepid

In June 2022, the Group acquired 100% of Intrepid E-Commerce Services Pte. Ltd. ("Intrepid") for an initial cash consideration of £46.9m, plus estimated earnout payments payable over 4 years resulting in an estimated total consideration (including the initial consideration) of approximately £60.0m. Intrepid provides eCommerce execution, backed by proprietary software solutions to enterprise brands that trade on major Southeast Asia platforms.

From the dates of the acquisitions, Sellics and Intrepid contributed £14.1m revenue and an Adjusted EBITDA loss of £4.5m. If the acquisitions had occurred at the beginning of the year, the acquired companies would have contributed an additional £8.9m of revenue and Adjusted EBITDA loss of £3.5m.

Investments

The Group continues to hold a £73.8m (2021: £65.9m) equity investment in Hudson, an advertising software business providing media buying and media accounting solutions through a cloud-based SaaS platform. The investment is through a combination of preference stock measured at fair value through profit and loss and common stock accounted for as an equity investment measured using the equity method. We also made loans totalling £30.6m (2021: £7.3m) to Hudson which are recorded as other debtors.

In 2022 we recorded our share of the losses of the Hudson businesses totalling £2.7m (2021: £1.1m).

There has been no change in the accounting of the investment from that disclosed in the 2021 Annual Report and Accounts and the Group continues to exercise significant influence over Hudson. Further details are given in Note 18 to the financial statements.

Deferred contingent consideration

The Company's preferred structure for acquisitions is to enter into long-term earnout arrangements with the founders of acquired companies and to link this to the post-acquisition performance of the acquired company and for certain elements make this contingent on the continuing employment of the founders. Accounting for the earnout is complex and requires considerable judgements to be made about the expected future performance of the acquired company at the both the point of acquisition and at each reporting date. This is especially difficult in the type of high growth, early stage, companies that Ascential acquires.

The earnout is accounted for in three ways:

1. A liability for deferred contingent consideration is established on the balance sheet at the point of acquisition based on that element of the earnout which is not dependent on the continuing employment of the founders. Any subsequent change in estimate is recorded as a Non-Trading item and in 2022 we recorded a loss of £1.0m (2021: £5.2m). During the year we made cash payments of £37.9m (2021: £87.6m) in relation to this element of deferred contingent consideration.
2. This liability is discounted to present value with the reversal of this discount being recorded as a finance cost. This amounted to a charge of £10.3m for the year (2021: £9.0m).

3. Finally, that element of the deferred contingent consideration that is also contingent on the continuing employment of the founders is charged to the consolidated statement of profit or loss as a non-trading item over the service life of those founders (typically three years). This amounted to a charge of £30.5m (2021: £29.9m). During the year we made cash payments of £19.5m (2021: £39.4m) in relation to this element of deferred contingent consideration.

The liability for deferred contingent consideration amounted to £108.1m at 31 December 2022 (2021: £102.9m). In total, when combining this liability with the future income statement charges for discounting of deferred contingent consideration that is contingent on continuing employment of the founders, the Company expects to pay out deferred contingent consideration of approximately £146m over the next four years for acquisitions to date. £45m is due in 2023 for performance in 2022 and c.£101m is expected to be paid between 2024 and 2026 based on the performance of the acquired businesses in the next three years.

Cash flow

Continuing operations

The Company generated Adjusted operating cash flow from continuing operations of £126.1m (2021: £84.0m), being a 104% operating cash flow conversion benefiting from strong forward bookings and collections particularly relating to our events and Product Design.

A feature of our cash flow is the working capital required in Digital Commerce for the purchasing of advertising media on behalf of customers where the payment terms agreed with the marketplace can differ from those agreed with customers. At 31 December 2022 we had £194.6m receivable from customers and £193.7m payable to the marketplaces up from £137.4m and £124.1m respectively at 31 December 2021 with the balances recorded in Other Debtors and Other Creditors respectively. In order to reduce the impact of this working capital dynamic on the Group, we have a facility with a bank to sell certain of the customer receivables for an attractive rate of interest that is lower than our overall cost of borrowing. Drawings under this facility are broadly unchanged and amounted to £28.4m (2021: £23.8m) at the period end. The resultant net working capital position relating to such media reimbursables of a net receivable of £0.9m (2021: £13.3m) therefore do not have a significant overall impact on the Group's balance sheet.

The Group's capital spend increased by £12.8m from the prior year to £35.9m (2021: £23.1m) driven by increased product development in the Digital Commerce business. Tax paid on profits was £0.2m in the current year (2021: £3.2m). Tax liabilities continue to be sheltered by significant prior period losses and tax-deductible acquisition consideration particularly in the US.

As a result, the Company generated free cash flow from continuing operations of £90.0m (2021: £57.7m) as shown in the table below:

£'m	2022	2021
Adjusted EBITDA	**121.1**	88.9
Working capital movements	**5.0**	(4.9)
Adjusted operating cash flow from continuing operations	**126.1**	84.0
Operating cash flow conversion (%)	**104%**	95%
Capital expenditure	**(35.9)**	(23.1)
Tax paid	**(0.2)**	(3.2)
Free cash flow from continuing operations	**90.0**	57.7
Free cash flow conversion (%)	**74%**	65%

Discontinued operations

The Company generated free cash flow from discontinued operations of £0.9m outflow (2021: £14.3m inflow).

Total operations

The cash flow statement and Net Debt position are summarised as follows.

£'m	2022	2021
Free cash flow from continuing operations	**90.0**	57.7
Free cash flow from discontinued operations	**(0.9)**	14.3
Free cash flow from total operations	**89.1**	72.0
Acquisition of businesses net of cash acquired	**(60.8)**	(195.3)
Deferred contingent consideration including contingent employment cost	**(57.4)**	(127.0)
Disposal proceeds net of cash disposed and disposal costs	**5.9**	342.4
Acquisition of investments and loan to associate	**(34.6)**	(51.4)
Non-Trading costs paid	**(52.3)**	(25.9)
Cash flow before financing activities	**(110.1)**	14.8
Proceeds from external borrowings*	**176.8**	180.7
Repayment of external borrowings*	**(53.8)**	(329.7)
Net interest paid	**(9.0)**	(6.4)
Net lease liabilities paid	**(7.3)**	(7.2)
Share purchases	**(3.7)**	–
Proceeds of issue or sale of shares net of expenses	**0.3**	150.7
Dividends paid to non-controlling interest	**(2.8)**	(0.5)
Net cash flow	**(9.6)**	2.4
Opening cash balance	**84.1**	80.2
FX movements	**5.5**	1.5
Closing cash balance	**80.0**	84.1
Borrowings	**(302.8)**	(160.5)
Capitalised arrangement fees	**1.6**	2.4
Derivative financial instruments	**4.5**	0.2
Net Debt	**(216.7)**	(73.8)

*includes payments for both deferred and contingent consideration recognised on initial acquisition as well as any subsequent remeasurements. Payments linked to ongoing employment as well as business performance are shown within cash generated from operations.

Returns to shareholders

Following the impact of Covid on the business, no dividends were paid in 2020 or 2021 and in 2022 cash flow was prioritised for acquisitions. The Board continues to prioritise capital for investment and acquisitions to support our growth strategy and has decided not to declare a 2022 dividend at this time. The Board will keep capital allocation priorities, including shareholder cash returns, continually under review.

Strong balance sheet and access to liquidity

Ascential manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent at market-based interest rates and on commercial terms and conditions or contributed as equity to subsidiaries.

We have performed our assessment based on the Group as it is currently constituted and do not consider the potential separation of our Digital Commerce assets into an independent, publicly traded company listed in the US and sale of WGSN as having a detrimental impact on the consolidated financial statements prepared being prepared on a going concern basis.

Going concern

After considering the current financial projections and the bank facilities available and then applying a severe but plausible sensitivity, the Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities for at least the next 12 months from the date of approving these financial statements. The process and key judgements in coming to this conclusion are set out below.

The Board is required to assess going concern at each reporting period. These assessments require judgement to determine the impact of future economic conditions on the Group, including the impact of downward recessionary pressures. The Directors have considered three main factors in reaching their conclusions on going concern, liquidity, covenants and scenario planning – as set out below.

Liquidity
In January 2020, the Group entered into a 5-year multi-currency revolving credit facility ("RCF") of £450m provided by a syndicate of 12 lending banks. These facilities provide ample liquidity when judged against the Net Debt of the Company of £216.7m at 31 December 2022.

Covenants
The more sensitive aspects of the Company's financing are the application of certain covenant limit tests to these facilities and the most sensitive covenant limit is Net Debt Leverage (broadly, the ratio of Net Debt to Adjusted pre-IFRS 16 EBITDA). The facility covenants are tested semi-annually and include (i) a maximum Net Debt leverage of 3.25x with the benefit of additional 0.5x leverage spikes for relevant acquisitions and, (ii) a minimum interest cover of 3.00x.

At 31 December 2022, our leverage ratio was 1.9x (or 2.05x on a covenant basis compared to the limit of 3.25x), and therefore well within our banking covenants.

Scenario planning
In assessing going concern, the Directors considered the most severe but plausible scenario that could impact the business to be the cancellation of a major event at short notice.

This scenario is not a forecast of the Company and is designed to stress test liquidity and covenant compliance. The key assumption is that Money 20/20 US is cancelled in 2023 with minimal notice due to an unforeseen event. This scenario results in a 0.8x increase to our leverage ratio at the 31 December 2023 testing point.

In their review of the downside scenario, the Directors have also considered a number of mitigations that would reduce the leverage ratio further and are at their discretion, including but not limited to the use of equity to meet deferred consideration obligations, further restructuring and cost cutting measures.

In this downside scenario, there is sufficient headroom against all banking covenant tests. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Mandy Gradden
Chief Financial Officer
3 April 2023

Alternative performance measures

Ascential aims to maximise shareholder value by optimising the potential for return on capital through strategic investment and divestment, by ensuring the Company's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers it helpful to provide, where practicable, additional performance measures that distinguish between these different factors – these are also the measures that the Board uses itself to assess the performance of the Company, on which the strategic planning process is founded and on which management incentives are based. Accordingly, this report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful and additional information.

Adjusted profit measures

The Group uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement items relating to items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation. The income statement items that are excluded from Adjusted profit measures are referred to as Adjusting items.

Both Adjusted profit measures and Adjusting items are presented together with statutory measures on the face of the profit and loss statement. In addition, the Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing the operational cash generation of the Group. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation and amortisation. The Group measures operational profit margins with reference to Adjusted EBITDA. As Adjusted results include the benefits of portfolio investment and divestment decisions but exclude significant costs (such as amortisation of acquired intangibles and Non-Trading items), they should not be regarded as a complete picture of the Group's financial performance, which is presented in its Total results. The exclusion of other Adjusting items may result in Adjusted results being materially higher or lower than Total results.

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other companies' financial statements and should not be viewed in isolation but as supplementary information. Details of the charges and credits presented as Adjusting items are set out in Note 5 to the financial statements. The basis for treating these items as Adjusting is as follows:

Non-Trading items

Non-Trading items are recorded in accordance with the Group's policy set out in Note 5 to the financial statements. They arise from portfolio investment and divestment decisions, from changes to the Group's capital structure, as well as material events that are expected to be outside the course of ordinary operating activities, (e.g. deferred consideration, integration costs and professional fees on acquisitions). They do not reflect underlying operational performance.

Amortisation of intangible assets acquired through business combinations

Charges for amortisation of acquired intangibles arise from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times over many years, so the associated amortisation does not reflect current operational performance.

Share-based payments

Ascential operates several employee share schemes. Income statement charges or credits relating to such schemes are a significant non-cash charge or credit and are driven by a valuation model which references the Ascential share price and future performance expectations. The income statement charge or credit is consequently subject to volatility and does not fully reflect current operational performance.

Gains and losses on disposal

Gains and losses on disposal of businesses arise from divestment decisions that are part of strategic portfolio management and do not reflect current operational performance.

Finance costs

As part of the Group's early refinancing of its 2016 debt facility in 2020, unamortised arrangement fees relating to the previous facility were written off and fees for subsequent Covid-related covenant amendments were incurred. These one-off items do not reflect the current operational performance of the Group.

Tax related to Adjusting items

The elements of the overall Group tax charge relating to the Adjusting items are also, for consistency, treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures

The Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures. The two measures used are Adjusted Cash Generated from operations, and Free Cash Flow. The Group monitors its operational efficiency with reference to operational cash conversion. These are reconciled to IFRS measures as follows:

£'m	**2022**	2021
Cash generated from operations	**53.4**	33.2
Less: cash outflow/(generated) from discontinued operations	**0.9**	(12.0)
Add back: acquisition-related contingent consideration cash flow	**19.5**	39.4
Add back: other non-trading cash flow	**52.3**	23.4
Adjusted cash generated from operations	**126.1**	84.0
Adjusted EBITDA	**121.1**	88.9
Operating cash conversion	**104%**	95%
Net cash generated from operating activities	**53.2**	29.9
Cash: cash outflow/(generated) from discontinued operations	**0.9**	(12.0)
Less: capital expenditure	**(35.9)**	(23.1)
Add back: tax paid by discontinued operations	**–**	0.1
Add back: acquisition-related contingent consideration cash flow	**19.5**	39.4
Add back: other non-trading cash flow	**52.3**	23.4
Free cash flow	**90.0**	57.7
Adjusted EBITDA	**121.1**	88.9
Free cash flow conversion	**74%**	65%

Leverage

The ratio of Net Debt to EBITDA is calculated as follows:

£'m	**2022**
Adjusted EBITDA	**121.1**
Less: Rent expense	**(7.0)**
Adjusted EBITDA (pre-IFRS16)	**114.1**
Net Debt	**216.7**
Leverage ratio	**1.9x**

The Group also monitors leverage using definitions included in the Group's banking covenants which are subject to proforma adjustments for acquisitions including the pre-acquisition losses of both Sellics and Intrepid. Using these covenant definitions, the leverage ratio at the end of December 2022 was 2.0x.

Organic growth measures

To assess whether the Company is achieving its strategic goal of driving organic growth, it is helpful to compare like-for-like operational results between periods. Income statement measures, both Adjusted and Reported, can be significantly affected by the following factors which mask like-for-like comparability:

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these companies;
- discontinuation or curtailment of products or the move of event products between different periods; and
- changes in exchange rates used to record the results of non-sterling businesses result in a lack of comparability between periods as equivalent local currency amounts are recorded at different sterling amounts in different periods.

Ascential therefore defines Organic growth measures, which are calculated with the following adjustments:

- results of acquired and disposed businesses are excluded where the consolidated results include only part-year results in either current or prior periods;
- results are normalised for events that move between H1 and H2 (for example Money20/20 Europe which was held in June in 2022 and September in 2021);
- results of specific product lines are excluded if are being wholly or partly discontinued; and
- prior year and current year consolidated results are restated at constant currency for non-sterling businesses, including the restatement of prior year consolidated results to the constant currency rate applied.

Organic growth is calculated as follows:

FY22 £'m	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate Costs	Total – continuing operations
Revenue						
2022 – reported	**226.1**	**107.1**	**99.2**	**92.0**	**–**	**524.4**
Acquisitions	**(50.4)**	**–**	**–**	**–**	**–**	**(50.4)**
Other adjustments*	**(13.5)**	**–**	**–**	**–**	**–**	**(13.5)**
2022 – Organic basis	**162.2**	**107.1**	**99.2**	**92.0**	**–**	**460.5**
Organic revenue growth	10%	12%	74%	65%	nm	30%
2021	147.3	91.3	56.5	54.2	–	349.3
Other adjustments*	(17.1)	–	–	–	–	(17.1)
Transfers**	4.1	–	–	(4.1)	–	–
Currency adjustment	12.5	4.2	0.4	5.7	–	22.8
2021 – Organic basis	146.8	95.5	56.9	55.8	–	355.0
Adjusted EBITDA						
2022 – reported	**21.2**	**49.1**	**40.1**	**31.6**	**(20.9)**	**121.1**
Acquisitions	**0.6**	**–**	**–**	**–**	**–**	**0.6**
Other adjustments*	**7.0**	**–**	**–**	**–**	**–**	**7.0**
2022 – Organic basis	**28.8**	**49.1**	**40.1**	**31.6**	**(20.9)**	**128.7**
Organic EBITDA growth	(31%)	12%	58%	140%	(3%)	23%
2021	31.1	41.3	25.6	10.9	(20.0)	88.9
Other adjustments*	6.4	–	–	–	–	6.4
Transfers**	0.1	(0.1)	(0.2)	0.1	0.1	–
Currency adjustment	5.1	2.7	(0.1)	2.2	(0.5)	9.4
FY21 – Organic basis	42.7	43.9	25.3	13.2	(20.4)	104.7

* Other adjustments relate to Edge Digital Shelf and Sellics Non-Advertising discontinued products

** Transfers relate to moving AAD and Retail Insight into Digital Commerce from RFS and Marketing respectively, and the transfer of lease property costs from Product Design to the Corporate segment

Proforma growth measures

Proforma growth is measured in a similar way to Organic growth but assumes that the Company's acquisitions or disposals were all made on the first day of the comparative accounting period and is a measure of the rate of growth of the brands owned today. Proforma growth is calculated as follows:

FY22 £'m	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate Costs	Total – Continuing Operations
Revenue						
FY22 – reported	**226.1**	**107.1**	**99.2**	**92.0**	**–**	**524.4**
Acquisitions	**8.8**	**–**	**–**	**–**	**–**	**8.8**
Other adjustments*	**(14.2)**	**–**	**–**	**–**	**–**	**(14.2)**
FY22 – Proforma basis	**220.7**	**107.1**	**99.2**	**92.0**	**–**	**519.0**
Proforma revenue growth	14%	12%	74%	65%	nm	29%
2021	147.3	91.3	56.5	54.2	–	349.3
Acquisitions	44.8	–	–	–	–	44.8
Other adjustments*	(18.9)	–	–	–	–	(18.9)
Transfers**	4.1	–	–	(4.1)	–	–
Currency adjustment	15.7	4.2	0.4	5.8	–	26.1
FY21 – Proforma basis	193.0	95.5	56.9	55.9	–	401.3
Adjusted EBITDA						
FY22 – reported	**21.2**	**49.1**	**40.1**	**31.6**	**(20.9)**	**121.1**
Acquisitions	**(3.6)**	**–**	**–**	**–**	**–**	**(3.6)**
Other adjustments*	**7.8**	**–**	**–**	**–**	**–**	**7.8**
FY22 – Proforma basis	**25.4**	**49.1**	**40.1**	**31.6**	**(20.9)**	**125.3**
Proforma EBITDA growth	(46%)	12%	58%	140%	(3%)	15%
2021	31.1	41.3	25.6	10.9	(20.0)	88.9
Acquisitions	2.8	–	–	–	–	2.8
Other adjustments*	7.0	–	–	–	–	7.0
Transfers**	0.1	(0.1)	(0.2)	0.1	0.1	–
Currency adjustment	6.0	2.7	(0.1)	2.2	(0.5)	10.3
FY21 – Proforma basis	47.0	43.9	25.3	13.2	(20.4)	109.0

* Other adjustments relate to Edge Digital Shelf and Sellics Non-Advertising discontinued products

** Transfers relate to moving AAD and Retail Insight into Digital Commerce from RFS and Marketing respectively, and the transfer of lease property costs from Product Design to the Corporate segment

Glossary of alternative performance measures

Term	Description
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma revenue growth	Revenue growth on a like-for-like basis assuming the Company's acquisitions or disposals were all made on the first day of the comparative accounting period
Proforma EBITDA growth	Adjusted EBITDA growth on a like-for-like basis assuming the Company's acquisitions or disposals were all made on the first day of the comparative accounting period
Non-Trading items	Items within Operating profit / (loss) separately identified in accordance with Group accounting policies
Adjusting items	Non-trading items (e.g. deferred consideration, ERP and Salesforce implementation costs, strategic review costs, transaction and integration costs and restructuring costs including impairments of property provisions affected by the restructuring), amortisation and impairments of intangible assets acquired through business combinations, share-based payments, gains and losses on disposal of investments and businesses, Covenant amendment fees and Tax related thereto.
Adjusted operating profit / (loss)	Operating profit / (loss) excluding Adjusting items
Adjusted EBITDA	Adjusted operating profit / (loss) excluding depreciation and amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted profit / (loss) before tax	Profit / (loss) before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted Profit / (loss) for the year
Adjusted cash generated from operations	Cash generated from operations with cash generated from discontinued operations, acquisition related contingent consideration and other non-trading cash flows excluded
Operating cash conversion	Adjusted cash generated from operations expressed as a percentage of Adjusted EBITDA
Free cash flow	Net cash generated from operating activities including capital expenditure. Net cash generated from discontinued operations, acquisition-related contingent consideration and other non-trading cash flow are excluded
Leverage	The ratio of Net debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16
Net Debt	Net Debt comprises external borrowings net of arrangement fees, cash and cash equivalents and derivative financial instruments. Net Debt excludes lease liabilities in line with how Net Debt is considered for the Group's banking covenants

Risk management and principal risks

Identifying and managing risk is an integral part of our corporate governance as it helps us deliver long-term shareholder value and protect our business, people, assets, capital and reputation. In order to achieve our strategic objectives and seize market opportunities, risk must be both accepted to a reasonable degree within our risk appetite and balanced by proportionate reward.

Risk governance

It is the responsibility of all of our colleagues to manage risks within their domain. Ultimately, accountability for risk management resides with the Board which is responsible for ensuring that there is an adequate and appropriate risk management framework and culture in place.

Our risk governance framework is set out below. At the top of the structure is our Board, which holds overall responsibility for our risk management and internal control systems. The Board sets risk appetite and the tone of risk management, as well as completing assessments of our principal risks.

The Audit Committee assists the Board by monitoring the adequacy and effectiveness of internal control and risk management systems, as well as the effectiveness of the Internal Audit function. Our operating Risk Committees identify risks and risk owners, controls and mitigations to manage risks, target risks and agree action plans to strengthen controls and address deficiencies, review progress with action plans and identify emerging risks.

Risk governance framework

We have a bottom-up and top-down approach to manage risk at Ascential:

The Board

- Holds overall responsibility for Ascential's risk management and internal control systems
- Defines risk appetite taking into account Ascential's strategic objectives
- Sets the tone and influences the culture of risk management
- Assesses the principal risks, including emerging risks, and their alignment with risk appetite

Audit Committee

- Monitors the adequacy and effectiveness of internal control and risk management systems
- Monitors and reviews the effectiveness of the Internal Audit function

Operational Risk Committees

- Identify risks and risk owners (including emerging risks)
- Score impact of risk on an inherent and residual basis according to risk scoring methodology
- Sets target risks
- Identify controls and mitigations to manage risk
- Agree action plans to strengthen controls or address deficiencies
- Review progress with action plans and current risks
- Membership includes senior management

Internal controls and compliance

Internal and external audit activities

Enterprise Risk Management Framework

We have a formal Enterprise Risk Management Framework which documents our risk management policy, risk management approach, risk appetite and tolerance, risk response options, and risk management process. This framework was updated at the end of 2021 and we have been embedding it into the operating risk committees during the year, including delivering risk training to all operating risk committee members.

An-out-of cadence reporting and escalation process has also been defined to ensure that risks are effectively managed on a more urgent basis where necessary.

Risk assurance

The Internal Audit function provides assurance as to the effectiveness of the internal control environment through its primary responsibilities whereby it:

- reviews and assesses the internal control environment with a focus on control effectiveness, quality and continuous improvement;
- determines whether controls are appropriate to provide financial, managerial and operating information that is accurate, reliable and timely;
- determines whether risks are appropriately identified and managed;
- assesses whether assets are appropriately safeguarded; and
- evaluates the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on Ascential.

The Audit Committee receives and analyses regular reports from management and Internal Audit on matters relating to risk and control and reviews the timeliness and effectiveness of corrective action taken by management. The Audit Committee also considers the findings and recommendations of the External Auditor throughout the year in relation to the design and implementation of effective financial controls. Further detail on these activities is included within the Audit Committee report on page 107.

We have restructured our operating risk committees during 2022 to align with either a business unit, brand or central function as appropriate:

Digital Commerce	Digital Commerce – China	Lions	WARC
Product Design	M2020	Finance and taxation	Technology
M&A			

The Operating Risk Committees use the following process to manage risk:

Objectives

Risk and Controls

1. **Identify** key risks, including emerging risks

2. **Analyse** the potential impact and likelihood of risks

3. **Respond** to risks by considering existing controls as well as selecting, prioritising and implementing appropriate actions

4. **Monitor** the internal and external environment for potential changes to risks and ensure that risk responses continue to operate effectively

5. **Report** on risks and the status of risk responses adopted

We recognise that there are different levels of risk management maturity across our operating committees, reflecting the maturity of the underlying products and capabilities within those business units as well as the rate of change within them. The early-stage nature of the digital commerce businesses being acquired can expose Ascential to weaker control environments in the short term following acquisition. To mitigate this, risks identified through pre-acquisition due diligence are initially managed through the post-acquisition integration programme, with any longer-term risks integrated into the Operating Risk Committee process.

Long-term viability statement

The Directors have assessed the prospects and viability of the Group in accordance with Provision 31 of the UK Corporate Governance Code.

By their nature, forecasts inherently become less accurate and more uncertain as the planning horizon extends. While we prepare a five-year plan, the plan's focus is mainly on the first three years with the outer two years relying more on expected trends and extrapolations. Detailed business planning focuses on this near-term three-year horizon and is based on the information available to the Group for the markets and operating environments in which the Group operates. Decisions on future funding and capital allocations are focused on this period. In this context, the long-term viability assessment has been based on a three-year timeframe, covering the period to 31 December 2025. Furthermore, we have not identified any significant foreseeable risk events relating to the principal risks that are likely to materialise only within the three- to five-year period. We are not expecting material earn-out payments outside of this timeframe and, while the group's revolving credit facility expires in January 2025, we do not have any reason to believe that we will not be able to attain a new facility providing a similar level of liquidity.

The Company's prospects have been assessed mainly with reference to the Company's strategic planning and associated long-range financial forecast. This incorporates a detailed bottom-up budget for each part of the business. The budgeting and planning process is thorough and includes input from most operating line managers, as well as senior management, and forms the basis for most variable compensation targets. The Board participates in strategic planning and reviews the detailed bottom-up budgets. The outputs from this process include full financial forecasts of revenue, EBITDA, Adjusted and statutory earnings, cash flow, working capital and Net Debt. The Directors consider that the planning process and monthly forecast updates provide a sound underpinning to management's expectations of the Group's prospects.

We have performed our assessment based on the Group as it is currently constituted and do not consider the potential separation of our Digital Commerce assets into an independent, publicly traded company listed in the US and sale of WGSN as having a detrimental impact on our long-term viability.

The Directors carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This assessment was made with reference to the Company's current position and prospects, strategy and principal risks, including how these are managed.

The Directors then assessed the potential impact on the Company's prospects should certain risks to the business materialise. This was done by considering specific scenarios aligned to the principal risks identified on pages 50 to 55, applied to stress test the long-range financial forecast. Of these, the six scenarios considered to have the most serious impact on the financial viability of the Company were modelled in detail.

The specific scenarios were:

1. a major event being cancelled at short notice, for instance from disease outbreaks at a venue, with no equivalent alternative available;

2. a serious safety and security incident at a major event;

3.the loss of a major customer;

4. a substantial breach of cyber security and associated loss of data;

5. a significant change in commercial behaviour of a major eCommerce marketplace.

The Directors have considered the effect of compounding the cancellation of a major event at short notice and a substantial breach of cyber security and associated loss of data and concluded that the Group would be expected to be able to continue to fund its operations and comply with debt covenant requirements.

For each scenario, the modelling captured the impact on key measures of profitability, cash flow, liquidity and debt covenant headroom. Scenarios included the effects of plausible mitigation plans where available including decisions on future capital allocation and a review of discretionary spending. In all cases modelled, the Group was able to demonstrate covenant headroom.

Based on this assessment of prospects and stress-test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2025.

Principal and emerging risks and uncertainties

We define risk as any potential event which could prevent the achievement of an objective. Risks can arise from the likelihood that an opportunity will not happen, as well as from the threat or uncertainty that something with a negative impact will happen.

The Board has assessed the principal risks facing the business including those related to its business model, future performance, solvency or liquidity and considered them in the formulation of the Long-Term Viability Statement set out on the previous page. This review of principal risks includes any emerging risks identified during the year.

The following pages summarise our principal risks and uncertainties with mitigating actions, as identified by the Board for the year ended 31 December 2022. The list is not exhaustive and may change during 2023 as the risk landscape evolves.

In the context of increasing interest rates in response to inflation and downgraded global GDP growth expectations, we consider that the risk of a global recession has increased since the prior year. Recession planning is a core part of our budgeting process and recession plans are kept under review as the economic outlook changes. The impact of recession is distributed across Ascential brands with some brands' propositions more attractive in a recessive environment, and others more sensitive to the impact of recession on demand. The extension or worsening of global supply chain issues could lead to a more prolonged pressure on digital commerce volumes as stock levels become more stressed. These impacts have been factored into our financial planning for 2023 and mitigating activities identified if required.

We continue to be exposed to an increasingly competitive recruitment market for our highly valued and experienced people, particularly in the digital commerce space. We have implemented targeted reward and retention programmes in our digital commerce business to mitigate the impact of this risk. We acknowledge the financial pressure that some of our people may have felt during the year by the increase to the cost of living and we have provided a package of financial assistance measures, focussed on our lower earners and people living in high inflation economies.

During the year, we have focussed on integration following the acquisition of seven digital commerce businesses during 2021. Whilst the integration programme is progressing well, we acknowledge that large scale implementation of new businesses poses an increased level of execution risk.

We have reviewed our assessment of our climate-related risks and opportunities during the year, as well as monitoring progress against climate-related KPIs and targets. Please see the TCFD statement on page 73 for more detail. The climate-related risks identified through this assessment have been integrated into the operating risk management process described on the previous pages. Climate-related risks which are considered material at a group level have been included in the company's principal risk register within the relevant principal risk.

The Board considers the following to be the Company's principal risks as at 31 December 2022:

Risk	Change since December 2021	
	Unmitigated	**Mitigated**
1. Customer end-market development	Unchanged ↔	Unchanged ↔
2. Economic and geopolitical conditions	Increased ↑	Increased ↑
3. Competition and substitution	Unchanged ↔	Unchanged ↔
4. Data access, data scraping and platform risks	Unchanged ↔	Unchanged ↔
5. Cyber threat and information security	Unchanged ↔	Unchanged ↔
6. People risk	Increased ↑	Increased ↑
7. Live events	Reduced ↓	Reduced ↓
8. Acquisitions and disposals (including integration)	Increased ↑	Increased ↑
9. Business resilience	Unchanged ↔	Unchanged ↔
10. Financial risk	Unchanged ↔	Unchanged ↔
11. Regulation and compliance	Unchanged ↔	Unchanged ↔

Business and strategic

1. Customer end-market development

Description
Our customers operate in a variety of end markets, each with their own competitive pressures affecting customer preferences and spend. The business of Digital Commerce is extremely complex, with highly sophisticated marketplaces, each developing in their own way at an unprecedented pace.

Examples of risks
- Failure to develop an appropriate pipeline of successful products to meet and anticipate the needs of our customers
- Marketplaces build self-service tools of offer direct access to data impacting the value of our products and services to customers
- Permanent shift in the appetite of businesses and their employees for corporate travel and large events has lasting impact on live events
- Reduced consumerism due to climate change reduces growth and profitability of Digital Commerce business
- Customers demand higher levels of ESG performance than the Company is capable of demonstrating and Ascential is not classified as an authorised supplier

Actions taken to manage risk
- Continued development of Ascential's capabilities through acquisition and investment in technology, decision science and methodologies to make Ascential the only well-capitalised player of scale providing consumer brands with both global measurement and execution across key retailer marketplaces, to grow market share and drive business success
- Strategy for live events developed to be less reliant on physical presence in volume. Proven ability to deliver value from the separation of the Lions awards from physical event
- Horizon scanning for changes in consumer demand and opportunities for climate-related products and capabilities
- Continued strengthening of ESG performance, with priority focus on areas of biggest impact e.g. live events

Link to strategy
Our strategic objective to be a market-leading specialist information company relies heavily on our ability to anticipate and respond to our customers' changing needs.

Risk movement from 2021
Stable

↔

2. Economic and geopolitical conditions

Description
Across our business we are exposed to the effects of political and economic risks. These include the likelihood of global recession, changes in the regulatory and competitive landscape, global supply chain failures, the impact of international trade policy and sanctions, and hostile state action.

Examples of risks
- Financial recession in our key markets leading to reduced spending power for customers
- Budget scrutiny from clients leads to rate compression or client attrition
- Impacts to global supply chain leads to significantly increased out-of-stock products which reduces digital commerce sales
- Key customers fail to pay or become insolvent
- Actions by hostile states negatively impacts our people, products or intellectual property
- Changes in international trade policy negatively impact the digital commerce sector

Actions taken to manage risk
- Recession modelling and scenario planning is a key part of the Budget process and is kept under review as economic conditions change
- Impact of recession is distributed across Ascential brands with some brands' propositions more attractive in a recessive environment
- Customers have mitigated supply chain impacts by focussing on key product lines and investing in more robust supply chains
- Majority of our revenue is derived from large, global brands less likely to become insolvent. Credit control capability was strengthened during Covid.
- Monitor geopolitical landscape to develop plans to respond to specific threats or opportunities

Link to strategy
Our strategic objective to accelerate organic growth requires us to operate effectively within different global political situations which change constantly.

Risk movement from 2021
Increased

↑

Business and strategic continued

3. Competition / substitution

Description
We are exposed to a varied and dynamic competitive landscape, ranging from niche providers and new entrants in e Commerce analytics to data aggregators and consultancy firms.

Examples of risks
- Competitors determine the 'land grab' of digital commerce is worth no profit and offer digital commerce services at no additional charge as part of their broader engagement
- Disruptive M&A activity with conglomeration of large competitors creating differentiated products
- Pricing pressure increases as competitive intensity grows

Actions taken to manage risk
- Continuing extension of targeted capabilities to demonstrate why specialist proposition provides value
- Continued investment in technology and decision science to offer competitive advantage
- Diversification of proposition across multiple marketplaces
- Close monitoring of competitive landscape and emerging technology to identify threats and opportunities

Link to strategy
Our strategic objective to be a market-leading specialist information, data and analytics company relies on our ability to differentiate our products and services from our competition.

Risk movement from 2021
Stable

↔

4. Data access, data scraping and platform risks

Description
Ascential obtains data from a vast number of sources. Changes in our ability to access that data or regulatory position around information-sharing platforms provide or access via data scraping could mean that we are unable to continue to provide data to clients at the levels for which they are presently contracted.

A breach in our data privacy policies and processes could expose us to regulatory sanctions and reputational damage. Major marketplaces could either limit how they work with companies like Ascential or stop offering a specific product that we work closely with.

Examples of risks
- Regulators rule that marketplaces can no longer provide wide access to the data sources directly from their platforms.
- A break in our internal or external data chain of custody or receipt of data that is not 'clean' from data aggregators
- Data scraping is prohibited in a key geography
- Increase in blocking technology impacts data collection
- Marketplaces limit how they work with companies like Ascential brands

Actions taken to manage risk
- Data supplier pool kept under review
- Data Protection officer works closely with the Digital Commerce business and data protection is incorporated at the product design stage
- Strong marketplace relationships developed
- Diversification of proposition across multiple marketplaces

Link to strategy
Data access is core to the Digital Commerce proposition, which in turn is a fundamental driver of organic growth.

Risk movement from 2021
Stable

↔

Operational

5. Cyber threat and information security

Description
An external cyber attack, insider threat or supplier breach could cause services interruption, the loss of confidential data, reputational impact and regulatory censure.

Examples of risks
- Loss of intellectual property
- False payment instructions are processed
- Major data privacy breach
- Significant impact on business operations from malware or ransomware attack
- Targeted cyber attacks by hostile states on international organisations including foreign governments, customers and key suppliers

Actions taken to manage risk
- Maintenance and testing of network security, network resilience and business continuity plans
- Monitoring of emerging threats to ensure our preparations and responses are current
- Regular, comprehensive training programme for our employees on information security practices
- Implementation of Data Loss Prevention software
- Adoption of additional authentication tools to reduce the likelihood of remote attacks
- Regular penetration and vulnerability testing
- Focus on cloud governance and logging

Link to strategy
All of our strategic objectives rely on our ability to operate compliantly and to provide safe and effective products and solutions to our customers.

Risk movement from 2021
Stable

↔

6. People

Description
People management, effective succession planning and the ability to attract and retain talent are critical to our ability to execute our strategy and achieve our objectives.

Examples of risks
- Loss of key talent, high attrition and/or lack of appropriate succession planning leads could lead to a strategic skills shortage
- Loss of intellectual capital due to poor retention of talent
- Loss of valued founders of acquired companies post earnout period
- Poor corporate responsibility practices may reduce ability to attract and/or retain top talent
- Perceived lack of attractiveness of existing LTIP awards in the US reduces ability to attract and retain key talent
- Increased levels of stress and financial pressure for employees in high inflation economies

Actions taken to manage risk
- Succession planning for Executive Directors and Senior Leadership Team
- Digital commerce specific reward and retention policies implemented
- Reward benchmarking conducted for key talent and adjustments made where warranted
- Compensation structures reviewed ahead of earnout period completion to increase retention and succession planning for founders in place
- Monthly pulse engagement surveys to monitor employee engagement and wellbeing
- Strengthened ESG performance and ESG related internal communication
- Provided a package of financial assistance measures, focussed on our lower earners and people living in high inflation markets.

Link to strategy
All of our strategic objectives rely on us attracting and retaining the right talent to execute against our strategy and meet the needs of our customers.

Risk movement from 2021
Increased
↑

7. Live events

Description
Our events are held at specific locations which may become unavailable for use. Travel disruption or safety risks from a variety of causes including natural disasters, communicable diseases, civil disorder, political instability or terrorism may prevent both customers and our employees from reaching the event location or being unwilling to travel.

Examples of risks
- Terrorist attacks during or shortly before events could result in fatalities, injuries, reputational damage and loss of revenue
- Civil disorder or organised protests disrupt an event or make accessing the venue difficult
- Government restrictions prohibit people from attending large scale events
- A global pandemic means that people are unable or unwilling to travel and attend large-scale events
- Single third party technology supplier fails to deliver causing disruption or negatively impacting delegate experience
- Travel disruption prevents staff, delegates and sponsors from attending an event
- Customers boycott Ascential events due to weak environmental performance
- Health & safety incidents occur during the event

Actions taken to manage risk
- Global threat monitoring throughout the year to identify any significant risks and to inform Safety and Security plan for each event
- Protective intelligence monitoring prior to and during an event with appropriate measures and contingency plans developed and agreed with the venue and local government
- Separation of Lions awards from physical event
- Development of virtual content for events
- Plans in development to position Ascential as a leader in sustainable events
- Safety Risk Assessment and Event Safety & Security Plan completed prior to each event
- Insurance cover in respect of certain event cancellation risks

Link to strategy
All of our strategic objectives rely on our ability to operate compliantly and to provide safe environments for our events.

Risk movement from 2021
Decreased
↓

Operational continued

8. Acquisitions and disposals (including integration)

Description
Whilst we continue to invest in organic growth and product development, acquisition of bolt-on capabilities remains part of our strategy, primarily in Digital Commerce. We may divest brands which are no longer core to our strategy. Integration of the acquired Digital Commerce entities is complex given the number of entities acquired in a relatively short time frame.

Examples of risks
- Acquisitions or divestitures do not deliver anticipated value
- Nature of digital commerce business being acquired exposes Ascential to weaker control environments short-term post acquisition
- Increasing pace of Digital Commerce acquisitions increases pressure on ability to integrate successfully
- Unknown issues and matters arise during integration not detected through due diligence

Actions taken to manage risk
- We have a strong and experienced M&A team who take a disciplined approach to identifying and testing acquisitions to ensure they are aligned to our strategy and present an acceptable rate of return.
- Detailed cross-functional due diligence is undertaken prior to acquisition
- Formal integration programme with longer-term risks integrated into the risk management process
- Strong track record of strategic acquisitions and disposal of non-core assets

Link to strategy
Our strategic objective to apply a tightly focused capital allocation process to achieve our goals and maximise value creation depends on our ability to identify the right acquisitions, to conduct thorough due diligence and to integrate acquisitions effectively.

Risk movement from 2021
Increased
↑

9. Business resilience

Description
Our operations may be disrupted by an adverse event whether that be IT service interruption, disruption to physical locations or interruption in the provision of service from our key suppliers. We need to build resilience to reduce the potential impact of such an event and be prepared to respond to any such event effectively.

Examples of risks
- Website receiving payments (e.g. Lions awards and delegate passes) is inaccessible
- Pandemic leads to enforced extended working from home
- Natural disaster impacts key operational location
- Global trend of nationalism and protectionism, including onshoring supply chains
- Key supplier failure, for example, insolvency of a key supplier that we had been unprepared for

Actions taken to manage risk
- Cloud Architectures are built in a resilient fashion and all architectures are documented to identify and understand risk
- Architectures have oversight of cloud partner architect and platform architects
- Proven ability to perform effectively over extended remote working periods
- The nature of Ascential's business being asset light and diversified across different sectors and regions minimises potential impact of localised weather events
- Group crisis management plan to manage how the Senior Leadership Team directs the business through any major incident or crisis which may severely disrupt operations, threaten business performance or damage reputation
- Technical incident response process in place
- Long-term contacts in place with key suppliers, professionally procured and with rigorous Service Level Agreements and due diligence as part of RFP process
- Financial security of key suppliers under continuous review. Alerting set up for all key suppliers so Ascential Procurement are notified of any change in circumstance

Link to strategy
All of our strategic objectives rely on our ability to operate resiliently and minimise the impact of any significant crisis or event.

Risk movement from 2021
Stable
↔

Financial

10. Financial Risk

Description
Insufficient balance sheet strength and liquidity may prevent the Company's ability to execute its strategy or ability to trade as a going concern. Material exposures to different currencies and fluctuations in those currencies affect the reported financial results. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax charges. Financial reporting requirements are complex and errors in the Company's financial statements could lead to reputational damage and censure from regulators.

Examples of risks
- Significant loss of revenue and/or profit causes breach of banking covenants
- Lack of liquidity constrains ability to pursue optimum acquisition strategy
- Uncertain macroeconomic environment could lead to increased complexity in accounting judgements
- Failure to deliver the benefits expected from the finance systems programme and risk of disruption to business activity
- Fraudulent financial reporting leads to elevated earnouts
- Change in tax legislation could lead to significantly higher Effective Tax Rate
- Material fluctuations in currency (particularly US Dollar, Sterling and Euro) affect reported profitability
- Challenge by tax authority on application of tax law

Actions taken to manage risk
- Debt facilities refinanced to provide additional headroom and covenant ratios monitored monthly
- Access to capital markets
- Robust stress testing and sensitivity analysis when valuations and assessments for financial reporting are reliant on uncertain macroeconomic environment
- Successful deployment of new finance system established playbook for further deployments across the Group.
- Financial control framework in place and oversight of brand financial reporting at Group level
- Debt is borrowed in various currencies to mitigate FX cashflow and leverage covenant risk
- The impact of movements in US Dollar and Euro currencies is calculated and reported to investors for transparency
- Approach to foreign exchange risk is set out in Note 30 to the financial statements on page 193.
- Full, accurate and timely disclosures made in submissions to tax authorities who we work with collaboratively to achieve early agreement and certainty on complex matters wherever possible

Link to strategy
All of our strategic objectives rely on our ability to maintain sufficient balance sheet strength and liquidity.

Risk movement from 2021
Stable
↔

Legal and Compliance

11. Regulation and compliance

Description
As a global business, we are subject to different regulations across multiple jurisdictions. Operating across this increasingly complex and dynamic legal and compliance environment can lead to fines, penalties, reputation risk and competitive disadvantage. The regulatory landscape can change, leading to our current business model becoming less profitable or unsustainable.

Examples of risks
- Compliance failures could lead to breach of Market Abuse Regulations, GDPR, anti-bribery or other key legislation
- Breach of data privacy policy
- Change in regulatory landscape regarding data collection and usage
- Regulatory antitrust or competition law remedies force a significant marketplace to change their practices which negatively impacts an Ascential digital commerce brand
- Content governance failure in WGSN leads to third party infringement claim or complaint from image owners
- Chinese government strengthens censorship or the internet
- Evolving sanctions law prohibits transactions with some existing or potential customers

Actions taken to manage risk
- Potential antitrust remedies may benefit other marketplaces to offset negative impact
- Experienced legal team supported by professional advisers monitor changes in regulation and emerging best practice in the sector and in key policy areas
- Strengthened compliance framework including formal code of conduct and refreshed compliance training
- Head of Content recruited in China and oversees compliance with content management policies
- Content team trained on content governance policies
- Group monitoring and auditing programmes in place

Link to strategy
All of our strategic objectives rely on us to comply with applicable laws and regulations and to do the right thing as part of our licence to operate.

Risk movement from 2021
Stable
↔

Our People

There were several key factors impacting our people in 2022. From the macroeconomic environment to post-pandemic readjustment, supporting our workforce, with a continued emphasis on wellbeing, remained of paramount importance.

We continued to navigate through the pandemic's disruption to ways of working, with a return to in-person events and our people returning to our offices.

We have changed the organisational design of the business by forming our two divisions of Digital Commerce and Intelligence & Events. Duncan Painter and Philip Thomas lead those divisions, respectively.

These changes maximise the potential of our products, bringing greater empowerment for decision making, while remaining very close to our customers.

Attracting and retaining talent

Recruitment and onboarding

2022 saw further expansion of our workforce through acquisitions in our Digital Commerce division, with Intrepid, based in South East Asia, and Sellics, based in Germany, both joining the division. We have streamlined our onboarding processes for new acquisitions and further developed our integration processes to optimise how new acquisitions are integrated into the existing Group.

In Intelligence & Events, we upgraded onboarding in WGSN through the launch of a new onboarding site which benefits both new starters and existing colleagues who want to refresh or upgrade their knowledge on WGSN products and services. In 2023, we have plans to roll out a similar model for our other brands in the division.

Our Inclusive Recruitment toolkit has been refreshed to support all Hiring Managers and Talent Acquisition professionals to recruit in ways that align with our Diversity, Equity and Inclusion commitments. This includes ensuring balanced shortlists for Senior Hires to help diversify the top 250 roles within our organisation. We have also developed our work on Entry Level Talent and launched 35 new internship opportunities, primarily in Lions, Flywheel and Perpetua. We also supported the UK Government's Kickstart programme designed to support 16-24 year olds at risk of long term unemployment by hosting two placement students.

Learning and Development

The implementation of our divisional structure has enabled us to create internal development opportunities for some of our top talent, moving them into divisional leadership roles with a broader remit.

To ensure that we offer as many opportunities as possible for our colleagues to progress their careers with us, our policy is to ensure that all roles (with the exception of roles that are commercially sensitive) are posted internally for at least 14 days before being shared on external platforms.

In 2022, we supported 45 apprenticeship programmes across our business and we offer early talent and upskilling programmes in data literacy and business transformation.

We offer our people training in the skills they need to do their jobs and provide opportunities to develop their skills and build their careers with us through a combination of online learning and tailored on-demand training. This approach enabled us to reach over 3,000 learners with training over the course of 2022.

We continued to support managers through People Leadership Development during the year. In response to leaders asking for our help to build an inclusive, courageous and innovative culture, we launched an Inclusive Leadership programme internally as well as partnering externally to deliver a programme on Leading Innovative Change. We also supported people leaders at all levels through a biannual Manager Training Series, which reached over 500 of our managers. These efforts contributed to average manager scores for support, caring and openness rising above the industry benchmark in our people engagement tool.

2022 was the fourth year of our global Mentor Marketplace, and the one year anniversary of our self-serve digital mentoring platform. This new platform has enabled us to engage nearly 500 colleagues from across Ascential since its inception.

We also focused Learning & Development activity on helping our colleagues balance operational excellence with personal wellbeing. Through mental wellbeing, resilience and productivity sessions we reached over 550 learners.

Share ownership

Share ownership is an important principle of our reward philosophy and we run an annual share save and stock purchase plan for all eligible employees to purchase Ascential shares at a discount to enable everyone that works at Ascential to have the opportunity to benefit from the growth of the company.

Our quarterly Elite awards exist to recognise the brilliant work of our people and we reward our winners with £500 (or local equivalent) of free shares.

Communications and Engagement

Strong leadership communications

Keeping our teams informed is a key part of our culture. We started the year with a virtual CEO Briefing to our global team, reflecting on highlights from the previous year and outlining our focus areas for the year ahead. We held virtual conferences for each of our business areas to maintain momentum into Q1 and to enable leaders across the business to define brand-specific goals for 2022.

As a global business, access to our senior leadership team for all of our people, irrespective of which part of the business they work in, is important to us. We release internal interviews with Duncan Painter and Mandy Gradden after each financial results presentation, hosted by a member of the wider Ascential team. In the interviews, our Chief Executive and Chief Financial Officer answer questions from our teams about what the company's results mean for them, how their work has impacted our performance, and sharing insights into our shareholders' areas of interest.

Embedded new tools
Slack continues to be our primary collaboration tool, used for one-to-one messaging, company announcements and team projects. Since launch, Slack has been integrated with key tools such as Workday, our HR system, and our monthly people survey tool, streamlining processes across the company. Best practice is encouraged through the 'Co-Lab' Slack newsletter, which shares top tips on how to get the most from Ascential's collaboration tools.

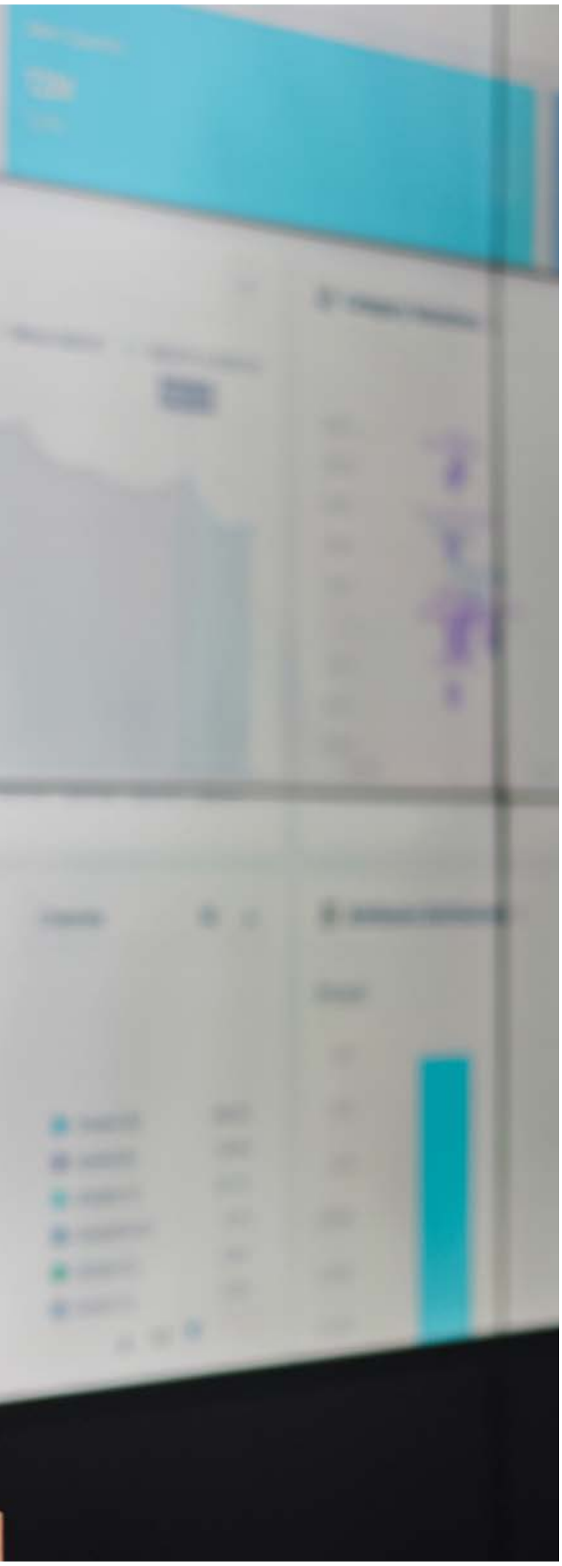
In the past 12 months, we have integrated our newer acquisitions into these tools, allowing for greater cross-brand collaboration and easier information sharing.

Learning from data
In September, we upgraded our internal communications platform to integrate with our People system, Workday.

This integration offers us an accurate data snapshot of internal email communications performance including open rates, using Workday data such as brand, department, location and job banding level. We also track engagement on our global announcements channels on Slack, giving us insight into message activity and open rates. These two new data tools will inform our communications strategy for 2023, helping to gauge engagement and content preferences and optimise our communications strategy.

Feedback
Since 2017 we have run an annual employee engagement survey. With the global pandemic and the subsequent rise in hybrid working, we launched a new, more frequent survey tool, PeakOn during 2022. This tool enables a more frequent temperature check on employee engagement, diversity & inclusion and health & wellbeing. Our overall engagement score reduced slightly to an average of 84% (2021: 86% from annual survey) over the more frequent survey period however is not directly comparable as the questions asked have been developed and the feedback provided allows more granular analysis of feedback which helps us to respond more effectively to what our people are telling us.

We have also continued with the Ascential Forum which is chaired by Rita Clifton, Senior Independent Director. The purpose of the Forum is to give employees the



> "We are committed to ensuring a two-way dialogue between our leadership teams and our people."

opportunity to share their views and ideas directly with a Board member across three issues: strategy, performance and culture. The Forum met twice in 2022, with the second forum focussing on the views of those in the Intelligence & Events division. We believe that this divisional focus will bring us greater, actionable insight and we plan to continue with this approach in 2023. Rita Clifton reports to the Board following each Forum meeting to share employee feedback with all Board members, given all directors better context on how their decisions might impact our people.

Building culture

Beliefs and behaviours

Our beliefs and behaviours provide a strong foundation across our business.

- **All-in**
  - Once we commit we deliver, with a clear focus on outcome.
- **Facts**
  - We always use data and insight to inform our work.
- **Focus**
  - We ruthlessly prioritise and always keep things simple.
- **Empathy**
  - We can be relied upon for fairness and consideration.
- **Be creative**
  - We are smart, pro-active innovators.
- **No silos**
  - One team, one face, one reputation.
- **Trust, transparency, openness**
  - Transparency inspires trust and empowers.

These beliefs and behaviours are integrated into our recruitment and onboarding (for both new starters and new acquisitions) as well as our performance management and reward and recognition programmes.

Recognising talent and rewarding brilliant work

Our annual awards are a celebration of talent and outstanding work delivered around the business. In March 2022, we ran the second of our virtual awards ceremonies for the whole company. There are 50 awards offered over 10 categories, including the Beliefs and Behaviours Award category. All winners received a trophy, individual Gold winners received company shares, and team Gold winners received expenses for a team celebration.

Our Elite Awards continued as a more frequent celebration of each quarter's key achievements, selecting 25 winners per quarter. Elite winners receive a trophy and are offered shares in Ascential. Since 2021 we have showcased successful nominees in our 'Elite Hall of Fame' to share best practices and stories of employee excellence from across our business.

To reward some of our highest-performing and longest-serving Ascential people, we sent 25 people to enjoy the Cannes Lions Festival of Creativity as delegates in June.

Valuing the diversity of our people

Our value as an employer and to our customers is greater when we draw on the full range of our collective perspectives and experiences. We are committed to attracting, retaining, developing and engaging a diverse workforce, and we work to ensure that everyone at Ascential feels comfortable to be themselves. This is the right thing to do to ensure a sustainable future for our organisation, and to make a positive impact for our people, customers and society.

This commitment is supported by our Equal Opportunities Policy which explicitly prohibits discrimination related to race, colour, religion or belief, pregnancy or maternity, marriage or civil partnership status, gender or gender reassignment status, sexual orientation or sexuality, sex, ethnic or national origin, genetics, disability, or age.

Establishing structure and governance
Our annual diversity, equity and inclusion report sets out our vision, actions and commitments for the year ahead, along with the progress we have already made.

The focus for 2022 has been equipping the divisions to design and implement Diversity, Equity & Inclusion governance which works within their structures and delivers against their colleagues' and customers' priorities. Our Digital Commerce division has launched a Diversity, Equity & Inclusion committee with representatives from each of their brands. The committee has set a division-wide vision and action plan, and activated local delivery groups. Our Intelligence & Events division has active Diversity, Equity & Inclusion committees in each of their brands, and is hiring new posts next year which will further align activity across the division. As well as divisional delivery structures, we also ensure that the plans are tailored to our regions, taking into account the nuances and priorities of the cultures we operate within.

Providing the right tools and support
Our Diversity, Equity & Inclusion training for managers focussed on building psychological safety and gave managers straightforward actions they can take to build inclusion across their teams.

In addition to the training, policies and overall vision and commitments we set centrally, we also support our Employee Networks. All networks are run by volunteers across the company and we now have five Employee Networks at Ascential – Ascential Pride, Black in Business, Empower: A women's network, Latinx and Shalom Ascential. The events and communications they organise throughout the year continue to engage colleagues and there are currently around 900 people engaged with Employee Network Slack channels and groups. The newly launched Employee Network Toolkit sets the framework for all networks to operate within, as well as Ascential's expectations and support available for these groups.

Measuring our progress
Our annual Diversity, Equity & Inclusion report outlines the progress we have made against 2022 targets. In a year which saw significant structural changes and competing priorities, we are pleased to have achieved 100% of the employee actions we set out in the 2022 report.

Our overall Inclusion score within our people engagement score is in line with our benchmark. We monitor this score closely, assessing scores for different demographic groups to ensure consistency of experience for all our people, regardless of race or gender.

Diversity, Equity & Inclusion data
Last year we put in place new data capture systems to gather diversity demographic data from our colleagues, and have continued to actively monitor these in 2022. Awareness of this data collection project continues to grow with disclosure increasing incrementally each year. We aim to disclose more data in 2023 to support further employee life-cycle analysis.

As at 31 December 2022, Ascential's overall gender split was 58% women (2,217), 41% men (1,580) and 1% non-binary or transgender (10), or undisclosed (26). This is consistent with prior years. The figures below show that we need to continue to focus on gender diversity within our executive and senior leadership . You can view further details on our plans for this in our 2023 Diversity, Equity and Inclusion report.

Board (10 people)

60% women 40% men

Executive (C-suite & Business Unit Presidents) (8 people)

37% women 63% men

Senior Leadership (69 people)

36% women 64% men

Our Board remains one of the most diverse amongst UK listed companies, with Ascential plc featuring in the Best Performers list for six consecutive years in the FTSE Women Leaders index.

Targeted financial support

We recognise the financial pressure that some of our employees are exposed to by the increase to the cost of living and took a number of actions during 2022 to support our people.

Global inflation pay increases
In addition to the standard annual salary review process, in May 2022 we awarded up to an extra £1,000 (or local equivalent) to around half of our employees to help with increased living costs. We monitored the impact of rising costs throughout the year and made a further payment to lower earners in some markets in November 2022.

The annual salary review process in 2023 will take into account local inflation when setting standard pay rises.

Europe energy grants
To provide support to those who are likely to be most impacted by the exceptionally high cost of energy, we provided additional grants of either £/€500 or £/€1000 to our people earning up to £/€45,000 in the UK and some parts of Europe. We also offered interest-free loans of up to £700 in both June and October to support our UK colleagues with the rising cost of energy.

Health & Safety

Ascential's Health & Safety Policy was updated and republished in January 2022 and our safety governance structure has continued to work effectively throughout the year. The Safety Committee meets quarterly, as well as providing oversight throughout the year, and our Safety and Wellbeing Champions have been actively involved with the management of local issues. Newly acquired businesses are integrated into our health & safety 'duty of care' framework.

Covid continued to dominate the health & safety agenda for the first half of the year however we updated our approach in the second half of the year to treat Covid the same as any other communicable disease, with the exception of China.

We safely delivered our live events in Rome, Amsterdam, Cannes and Las Vegas with no significant health & safety incidents.

We have over 50 Mental Health First Aiders across the business who have been trained by the official Mental Health First Aid body to spot the signs and symptoms of mental ill health, provide first aid and act as a confidante for their colleagues across the business.

Adapting for the future

In 2022, we continued with hybrid working as our default working model. We have seen the global nature of our organisation increase further, not only through acquisitions but also by being able to employ people in local marketplaces which for brands such as WGSN, increases the reach of their content.

Our brands benefit from having the flexibility to operate in the right way for them, whether this is two days a week in the office or built around key times in their brands' annual life cycle.

Colleagues have adapted well to hybrid working, with autonomy being the highest scoring section on our regular engagement surveys. Having the ability to better manage their home and work life is a value that is important to our colleagues.

> "We are pleased to have achieved 100% of the employee actions we set out in the Diversity, Equity and Inclusion 2022 report."

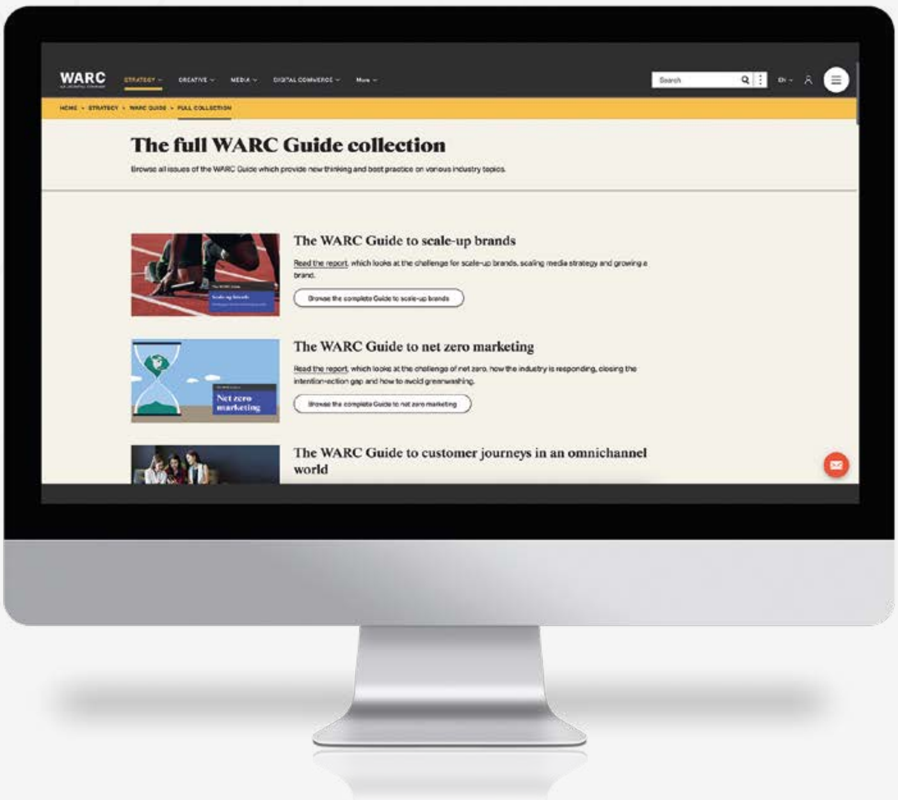
Section S172 Statement

Section 172 of the Companies Act 2006 requires Directors to act in a way that promotes the success of the company for the benefit of shareholders as a whole, whilst having regard to the interests of its other stakeholders.

Effective stakeholder engagement helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as understanding their needs and concerns. By understanding our stakeholders, we can factor into Board discussions the potential impact of our decisions on each stakeholder group and consider how best to act fairly between members as a whole.

We consider our key stakeholders to be our customers, our people, our suppliers and business partners, our investors and wider society.

Our values, set out on page 59 are closely aligned with the principles underpinning Section 172, ensuring that the way we do business is consistent with the matters the Directors must consider as part of their Section 172 duties. The Board recognises that the interests of stakeholders are sometimes conflicted and at times, certain interests may have to be prioritised. As part of the Board's decision making process, the differing interests of stakeholders are considered by the Board and an assessment is made of the impact and consequences on stakeholders of decisions in the long term.



During 2022, the Directors have considered the matters set out in Section 172. Further detail on how the Board has considered each factor can be found in the following sections:

A	B	C	D	E	F
The likely consequence of any decision in the long term	**The interests of the Company's employees**	**The need to foster business relationships with suppliers, customers and others**	**The impact of the Company's operations on the community and the environment**	**The desirability of the Company maintaining a reputation for high standards of business conduct**	**The need to act fairly as between members of the Company**
Relevant disclosures					
Chief Executive's review **Page 6**	Our People **Page 56**	Business model **Page 12**	ESG – Social Impact **Page 84**	ESG Strategy **Page 70**	Chief Executive's review **Page 6**
Strategic priorities **Page 8**	Diversity Equity and Inclusion **Page 60**	Third party code of conduct **Page 89**	Climate change resilience **Page 72**	ESG – Compliance Framework **Page 88**	Chairman's Introduction **Page 96**
Principal risk disclosure **Page 50**	ESG – Social Impact **Page 84**	Modern slavery **Page 90**	TCFD statement **Page 73**	Internal Controls statement **Page 106**	Annual General Meeting **Page 135**
ESG – Environmental Climate Resilience **Page 72**	Whistleblowing policy **Page 91**	Whistleblowing policy **Page 91**			Stakeholder engagement **Page 62**

S172 in Focus

Below we have set out an example of how the board has taken into account s172 factors in key decisions in 2022

Acquisition of Intrepid

S.172 criteria considered: A, B, C, E, F

Relevant stakeholders: customers, our people, suppliers and business partners, and investors

Decision Making Process:

- Management sought Board approval to acquire Intrepid, an ecommerce enabler in South East Asia. A detailed investment memorandum containing key financial information was provided to the Board.
- The Board considered that the acquisition would support the Company's strategic entry into the high growth South East Asian market and expansion of the Group's global footprint, enhancing returns for the Company's shareholders in the long term.
- The acquisition will expand our customer proposition and is a key component to deliver on the long term vision of the company of helping our customers sell on leading marketplaces in priority growth regions.
- Following a thorough due diligence process, the Board reviewed the summary of the risks identified with the acquisition and were satisfied the mitigation steps provided sufficient protection for the Company's key stakeholders.
- The Board approved the acquisition and considered that it was in the long term interest of all its stakeholders.

Strategic report
Governance report
Financial statements

Stakeholder Engagement

Our key stakeholders

Our customers

We help our customers to make smart strategic decisions that improve performance now and in the future, enabling them to outperform their competitors.

Customer forums & feedback

How we engage

- We regularly engage with customers across our product brands and geographies. Our account management and client service functions are in regular contact with customers to ensure they get the best value from our services.
- We run Net Promoter Score ("NPS") surveys across the majority of our brands.
- We conduct research on a project basis in advance of major product developments.

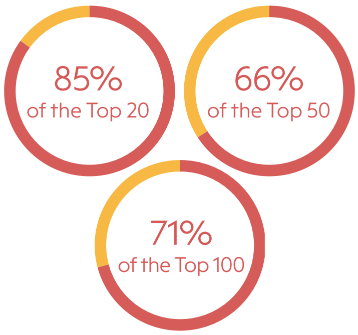
Outcomes from engagement

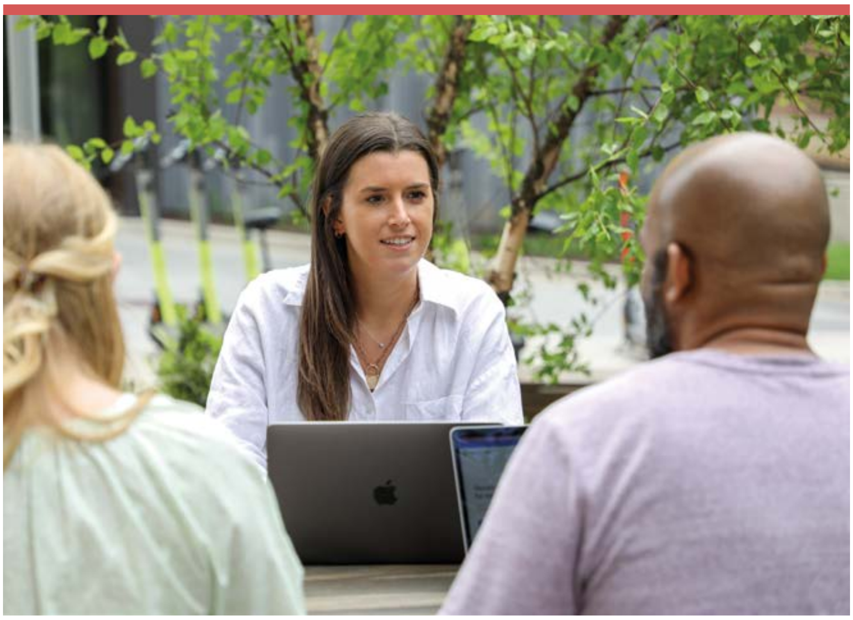
NPS scores are shared across the business, leading to the ongoing development of marketing, product and content strategies that take into account customer feedback.

At our events, the content topics and themes have been directly informed by qualitative and quantitative research and NPS surveys.

> "Setting the benchmark for product quality, we are the market leaders in our fields."

Kantar BrandZ Most Valuable Global Brands 2022





Our people

We have an experienced and dedicated workforce which we recognise as a key asset of our business. Key tenets of making Ascential a great working environment include an emphasis on personal wellbeing, investment in personal development and career progression, support for flexible working, diversity and inclusion in everything we do, and open and honest leadership communications.

Health & Safety

How we engage

We have a wide range of formal and informal communication channels on safety issues:

- Any employee can report a safety concern or incident via the line manager.
- Anyone can report in person or anonymously via the 'Speak-Up' function.
- Safety Champions are nominated across every brand to represent any local issues on behalf of their colleagues.
- Internal communications support the delivery of information campaigns on specific topics.

In 2022, an external safety consultancy was engaged to undertake an independent review of Ascential's health, safety and wellbeing approach to agile, flexible and teleworking. In particular, the focus was on remote working and working from home, both of which have increased since the Covid pandemic. The review process consisted of desk-top reviews of the Ascential policies and associated documents, conversations with senior safety and human resources colleagues and remote interviews with safety representatives and regional colleagues who work remotely or from home.

Ascential's approach was benchmarked against practical guidance issued by the International Labour Organisation 'Teleworking during the COVID-19 pandemic and beyond', 'Healthy and Safe Telework Technical Brief – Geneva 2021' and known best industry practice from other client organisations.

Outcomes from engagement

Overwhelmingly, the review found that the majority of colleagues would like consistent parameters to work within without removing flexibility, but removing the uncertainty. As a consequence of the external safety review we have reviewed and reissued policies relating to Flexible and Remote Working and the supporting safety policies which enable this. Going forward, we will also refresh the way safety training is delivered across the business, via a new online safety training platform.

Internal communications

How we engage

- We have adapted our business-wide internal communications framework to have a divisional focus, ensuring that people are kept up to date with news and business updates that are relevant to them. Each area of the business continues to regularly host virtual all-colleague meetings and team briefings to share news and progress against priorities.
- We ran a global kick off at the start of 2022 in the form of a virtual CEO briefing, outlining company-wide goals for the year ahead. From there, we segmented our conferences into business areas, enabling leaders to define more granular goals for each of their parts of the business. We ran regular Q&A sessions to ensure a two-way dialogue between our people and our senior leadership, ensuring that all voices have the opportunity to be heard. More detail of how we engage with our people is included in the 'Our People' section on pages 56 to 61.

Outcomes from engagement

We create surveys after all of our tent-pole internal events, such as our virtual annual awards ceremonies. The survey results and verbatim feedback that we get from our people informs the planning of our future events, ensuring that our people feel that their opinions are valued and acted upon.

One post-event survey in 2022 found that 85.7% of attendees felt more like part of Ascential as a result of the event.

Building a dialogue with our people

How we engage

- We use employment engagement surveys, which, along with face-to-face feedback helps us understand what people think, any issues they may be having and what they want to achieve in their careers. Our HR business partnering team is embedded in each of our two Divisions ensuring that the People agenda is focused on the unique needs of each of our brands. This has enabled us to provide targeted HR support and build People plans aligned to the strategy of each Division.
- We use an instant messaging and collaboration tool, Slack, which is used for one-to-one messaging, company announcements and team projects.
- We track engagement on internal communications emails and global announcement Slack channels to provide insight into message activity and open rates.
- Internal interviews with our senior leadership team frequently include an open Q&A session, with sessions recorded and shared thereafter
- The Ascential Forum is chaired by our Senior Independent Non-Executive Director Rita Clifton and gives employees the opportunity to share their views and ideas directly with a Board member.

Outcomes from engagement

- We switched from an annual employee engagement survey to a more frequent survey tool, PeakOn. This allows us to gather data and insight on how our employees are feeling across a wide range of questions more frequently, enabling more direct action to address any concerns or issues.
- Following the rollout of Slack and the integration of our internal communications platform into our People system, we have seen increased levels of engagement.
- Rita Clifton, our Senior Independent Director, updates the Board following each Ascential Forum meeting to provide a direct route for the employee voice into the Boardroom.
- We recognised the financial pressure that some of our employees were telling us they were concerned about by providing an exceptional cost of living increase for lower paid employees in high inflation markets in May 2022, as well as targeted energy grants or loans to our people in Europe and the UK.

Diversity & Inclusion

How we engage

- Since the start of 2021 we have published an annual Diversity and Inclusion report which includes a clear vision for our work in this space, a set of 2030 global commitments and annual objectives, along with a progress report against the previous years objectives. These reports provide an update on where work is going well and where further effort is required demonstrating our commitment to being honest and open in order to share learning.
- Our Chief Operating Officer, Paul Harrison, remains our Board level representative on Diversity and Inclusion, along with all ESG overall. Tracey Gray, EVP of People, is the Exec Sponsor. Both these roles are supported by our Diversity and Inclusion Steering Group which we assemble when required to feed into key projects and decisions.
- In July we moved to quarterly engagement survey, which include a standard set of Diversity, Equity and Inclusion questions. The functionality of the new survey tool also enables us to analyse inclusion scores through a range of demographic lenses.

Outcomes from engagement

Scores from the first six months of using the tool indicate that our inclusion scores remain within sector expectations.

Our overall inclusion score is 8.1/10 which includes the question 'I'm satisfied with Ascential's efforts to support Diversity and Inclusion (for example in terms of gender, ethnicity, disability and social-economic status).

Our Diversity & Inclusion report sets out our ambitions in this space: we have work to do in a number of areas of representation with a particular focus being on diversifying our leadership teams. The report sets out our specific targets and objectives.

Colleague networks & forum

How we engage

- We have five Employee Resource Groups: Ascential Pride, Black in Business, Empower our women's network, Shalom Ascential and Latinx. All are colleague initiated and led, supported by a central toolkit, budget and the Head of Corporate Responsibility. In addition they all have Executive sponsors to ensure they have a voice of influence at Senior Leadership level.
- Digital Commerce established a Diversity, Equity and Inclusion (DEI) committee with representatives from each of itd Brands. The purpose of the group is to ensure that each Brand and Employee Network feeds into the Division wide plans for DEI, ensuring representation and a range of perspectives are considered.

Outcomes from engagement

We continue to support our networks and use them as counsel for projects including HR policy review and overall strategy design. All of which contributes towards:

- We score 8.4/10 for the statement 'I believe Ascential would respond appropriately to instances of discrimination'.
- We score 8.1/10 for the statement 'People of all backgrounds have the same opportunities at Ascential'.
- We score 7.7/10 for the statement 'Recruitment processes at Ascential attract and select a diverse workforce (for example in terms of gender, ethnicity, disability and socio-economic status'.

Our investors

Our investors value sustainable growth, responsible capital allocation and investment decisions, and clear communication of strategy, supported by robust financial reports.

How we engage

- We hold a range of Investor meetings throughout the year: post-results roadshows; at investment conferences; and on-demand individual meetings, totalling over 300 individual engagements in 2022, covering around 100 institutions (both holders and non-holders).
- We run product deep dive demonstrations for investors and analysts.
- We deliver twice-yearly analyst results presentations, as well as holding additional meetings and calls throughout the year, totalling over 100 interactions in 2022, across our coverage base of 11 analysts.
- We hold an Annual Capital Markets Day for our coverage analysts and major holders, to provide more granular detail on our progress with strategy, performance and future plans. In 2022 this focused on the Intelligence & Events businesses, their capabilities, business models and addressable markets.
- We hold an Annual General Meeting which all shareholders are welcome to attend, and ask questions of the Board.

In 2022, with the assistance of Rothschild & Co, we undertook a shareholder perception study that delivered responses from 14 investors (representing over 60% of the share capital) on a range of topics including strategy, capital allocation, the performance of management, valuation and growth opportunities.

Outcomes from engagement

We provide the investor community with clear updates on our trading performance and strategic direction. Analysts and investors have the opportunity to give feedback to management on the above and engage in Q&A.

Our partners and suppliers

Our partners want us to work with them to develop productive and fair working relationships, with fair terms of business and fair payment terms.

How we engage

- We hold Quarterly Business Reviews with all key suppliers to review progress on key activity as well as sharing business updates and strategy.
- We operate and publish a Third Party Code of Conduct which sets out the key ethical and business principles we look for in all third parties we work with.
- We operate a prompt payment policy and disclose our payment practices and performance via the UK Government payment practices reporting portal.

Outcomes from engagement

We continued the roll out of SAP Ariba throughout our Digital Commerce division. This tool smoothes the process of suppliers registering to do business with Ascential and owning and updating their data in our systems.

We listen to feedback from suppliers about any challenges in engaging with us, to continuously improve the way Ascential operates with its supply chain.

Wider society

We believe that it is important to adhere to evolving ESG best practice. A crucial aspect of this is having a realistic understanding of the impact our business has and therefore where we can play our part in delivering positive change. Once we understand this we can prioritise resources and activity accordingly.

How we engage

- Our two strategic priorities, Climate Change Resilience and Diversity, Equity & Inclusion, remain at the heart of our work, with a new focus on equipping and empowering our Brands and Regions to deliver a signature move that works for their colleagues and communities.
- Engaging with colleagues in our core regions and co-designing our policies, frameworks and programmes is key to success and we have a range of Corporate Responsibility champions across our business who support this area of work.
- We continue to work with a range of partners on our Early Talent opportunities, these include Speakers 4 Schools who support virtual work experience, Multiverse who are our Apprenticeship provider and Creative Access who support Internship recruitment in the UK.
- You can read more about the outcomes from this work in our ESG section on page 70.

Volunteering day

How we engage

- Our global policy gives all employees one day per year to volunteer at local community projects. This year we've moved from a central theme for those volunteering days to encouraging brands to deliver the opportunities that most resonate for them. This has led to a number of new initiatives, including high school students attending Flywheel's Career Day in partnership with Next One Up (NOU) a long-term mentoring non-profit that transforms the lives of young men in Baltimore City.

Outcomes from engagement

We have developed our charity and volunteering pages on the Company Intranet, enabling more colleagues to easily access this information and discover volunteering opportunities relevant to them.

Fundraising

How we engage

- We have had a long-standing relationship with The Prince's Trust, fundraising as part of the Million Makers competition, and sponsoring the Educational Achiever award for the fifth year of the annual Prince's Trust Awards.
- In addition to our support of The Prince's Trust, we have continued our ethos of enabling our brands and regions to support charities in their local communities, providing support where they see a need.

Outcomes from engagement

The range of charities supported by our fundraising activities has expanded by enabling our brands to develop charitable relationships at a local level.

2022 Million Makers Team Legacy

Amount raised in 2022 for The Prince's Trust

£488k

ESG strategy

Paul Harrison
Chief Operating Officer
Executive Director with responsibility to the Board for ESG matters

"The Ascential Board and leadership team remain focussed on the value we can create as a Company for all stakeholders."

Dear Shareholder,

Our overall approach to Corporate Responsibility is to ensure the impact that our business operations have on the communities and environments in which we operate is positive and considered.

This philosophy of embedding corporate responsibility opportunities and risk management into day to day business operations provides a sustainable way of making progress. Our Corporate Responsibility operating model consists of delivery embedded in our Brand teams, oversight from a central Corporate Responsibility function, and Board level governance. This enables us to align our own priorities and expectations with those of our shareholders, customers and colleagues, across a range of sectors and regions.

An example of this approach in practice is the work Cannes Lions did this year on making the festival the most sustainable in its long history. You can read about the changes we made to mitigate our climate impact and our core charity and community partnerships in the case study at the end of this section.

There are certain projects that remain a priority for all our Brands, providing exciting opportunities for collaboration with colleagues and engagement with customers. Our Employee Resource Groups are one area where we have seen increased employee engagement. Over 900 colleagues now participate in one or more of our five groups, whose work continues to create the inclusive culture we value so highly.

A personal highlight is The Prince's Trust Million Makers competition, an annual fundraising initiative that Ascential has participated in for the last 10 years. This year a team of colleagues from across Ascential fund-raised over £480,000, taking the total raised for this charity through the course of our support to over £2.5million. Seeing the impact that contribution has on thousands of young people, enabling them to access employment, education and training, is a fantastic example of the truly positive impact our business can make.

We welcomed the opportunity to complete the Taskforce for Climate Related Financial Disclosure ("TCFD") for the first time last year. This process made clear the risks and opportunities in relation to Climate Change for our company, and as a result we developed our first set of Climate Change goals and targets. These goals drove our focus on data gathering and baseline setting. We have improved and developed reporting processes across waste management, office emissions and sustainability focussed content. For the second year of TCFD, we have developed a model to understand the financial impact of climate change on our business over the short-to-medium term.

I hope you enjoy reading more about our initiatives in the following pages.

Paul Harrison
Chief Operating Officer
Date 3 April 2023

ESG overview

The following table summarises and signposts the ESG policies and reporting we have in place across Ascential. All policies are available for our colleagues in English, Simplified Chinese and Portuguese.

ESG area	Core policies and standards	Reporting and further information
Environmental	– Streamlined Energy and Carbon Reporting (SECR) disclosure – Carbon Disclosure Project – Third Party Supplier Code of Conduct Sustainability Statement	– Climate resilience section (page 72) – Climate resilience governance and risk management (page 74) – Taskforce on Climate Related Disclosures statement (page 73)
Social impact	– Charity Match Policy – Flexible Working Policy – Family Friendly Policy – Parental Leave Policy – Equal Opportunities Policy – Volunteering day allowance – Diversity and Inclusion Commitments	– Social Impact (ESG) section (page 84) – People section (page 56) – Diversity, Equity and Inclusion at Ascential (ascential.com/about-us/responsible-business)
Governance	– Code of Conduct – Modern Slavery Statement – Supply Chain Code of Conduct – Tax policy statement – Data privacy policy – Data harvesting guidelines	– Audit Committee report (page 107) – Risk Management and Principal Risks (page 48) – Our website ascential.com/about-us/responsible-business

MSCI ESG rating

CCC	B	BB	BBB	A	**AA** ▼	AAA

Sustainalytics ESG risk rating

NEGL	**LOW** ▼	MED	HIGH	SEVERE

Environment – Climate Change Resilience

Overview

Progress made in 2022

- We launched our initial set of Climate Change KPIs of which over 75% have been achieved throughout the year, with the remainder deferred to 2023 to enable data driven insight into setting reduction targets.
- We began measuring carbon emissions and waste baseline data across key material areas to enable reduction targets to be set in 2023.
- The 2022 Cannes Lions Festival adopted a number of new measures to improve sustainability, including measuring carbon emissions of the Festival for the first time to inform sustainability plans and reduction targets.

Activity in detail

- More information on our activities relating to Climate Change, carbon emissions and waste is included in the TCFD statement on pages 73 to 83.
- More information on the work to improve sustainability of the Cannes Lions Festival is included in the Lions Case Study on page 93.
- WARC has partnered with LIONS and the UK's Advertising Association to launch the WARC Sustainability Hub, which helps marketers understand and solve the challenges of sustainability, including net zero. The Sustainability Hub brings together a curated collection of content including best practice, effectiveness case studies and thought leadership. It features resources from Ad Net Zero, a UK industry-wide initiative led by the Advertising Association, the IPA and ISBA, to reduce the marketing industry's carbon impact.
- Sustainability remains a strategic imperative within WGSN with KPIs set on content creation, internal training and developing client offers to incorporate sustainability.

Looking ahead to 2023

Emissions data capture and reporting will be a core focus for 2023, with a particular focus on measuring scope 3 emissions in our value chain.

Sustainability in our event operations will continue to be a key priority. This will include rolling out carbon footprinting work across all of our events along with a commitment to use our platforms to share thought leadership and best practice.

Taskforce on Climate Related Financial Disclosures statement

Ascential knows that transparency regarding climate-related risks and opportunities is critical to maintaining the trust of our stakeholders and allows our investors to better understand the implications of climate change for our Company. This report is structured into four sections: Governance, Strategy, Risk Management, and Metrics and targets. These topics align to the TCFD's recommended disclosures, and provide an explanation of how we understand and manage the risks and opportunities associated with climate change at Ascential. Although we are not fully compliant, we consider that the following report provides sufficient information to meet all of the requirements of the TCFD Framework in respect of the 2022 financial year, with the exception that we have prioritised climate-related risks over climate-related opportunities and we have not fully quantified the financial impact of climate change over the short, medium and long term (see page 76 for more detail on financial impact assessment). Whilst high-level climate-related opportunities have been identified, we consider them to be long-term opportunities and so have not yet defined them in terms of the four TCFD pillars or set targets to achieve them. We intend to complete these activities by the end of 2024.

Progress since our 2021 report

TCFD Pillar	Key developments
Governance	– We have instigated a Sustainability Forum for the brands we have identified as having the most material risks or opportunities related to climate change. This includes all of our events brands and WGSN, whose customers require sustainable credentials and expertise. – The principal aim of the Sustainability Forum is to share learning, identify opportunities for emissions reduction and work together on shared goals and commitments.
Strategy	– The financial implication of climate-related risks were assessed over a five year period to 31 December 2027 and incorporated into viability assessment processes. – Through the Sustainable Development Goals (SDG) Lion and its partnership with the United Nations, Lions helped to drive awareness of the UN's SDGs and inspire the global creative industry to accelerate progress towards achieving them. – Sustainability remained a strategic imperative for WGSN with KPIs set on content creation, internal training and developing client offers to incorporate sustainability. – Sustainability was one of 5 core content pillars for Lions and a baseline carbon footprint was calculated for the first time with key supplier engagement. – Money20/20 reviewed core event logistics and suppliers with a view to reducing emissions and waste.
Risk Management	– The risks identified as material through scenario analysis in 2021 were reviewed and updated. – Our physical asset locations and those of our top 10 customers were mapped against the Notre Dame-Global Adaption Country Index to assess vulnerability to climate change.
Metrics & targets	– We tracked the direct emissions footprint of Cannes Lions to establish a baseline from which we can identify targets and emission reduction priorities. – We have made progress against our climate related KPIs identified in the 2021 report (see section 'metrics & targets' below for more details.

Taskforce on Climate Related Financial Disclosures statement continued

Governance

Our Board of Directors actively oversees Ascential's business strategy. At its regular Board meetings as well as at the annual strategy offsite, our Board engages in robust discussions about strategic goals. Our Board recognises that operating responsibly is fundamental to the long-term success of Ascential.

Section	Our Governance
Board oversight	The Board has primary oversight and ultimate accountability for our ESG performance, including the approach and actions taken in relation to climate-related risks and opportunities. Paul Harrison, COO, is the executive sponsor of Ascential's ESG policy and we also benefit greatly from the experience of our Senior Independent Director, Rita Clifton CBE, who is concurrently serving as Chair of Forum for the Future and Trustee of Green Alliance. The Board receives an update on our ESG performance at least annually and approves the setting of ESG related targets for future periods. In 2023, the frequency of Board ESG updates will increase to quarterly. The Board reviews climate-related risks and mitigating activity as an integrated part of its review of principal risks. The Audit Committee reviews the work management conduct to quantify the financial impact of climate-related risks. During 2022, the Committee reviewed the work management conducted to quantify the financial implication of climate-related risks and opportunities over a five year period to 31 December 2027 and the way it was reflected in the Group's long-range financial forecast. The Audit Committee annually reviews the effectiveness of the Company's internal control and risk management processes, which includes the management of climate-related risks.
Management's role	We drive our business forward through the management structures we have put in place and the planning and implementation processes we use for decision making and action planning. Our management team is organised across our four business segments with Product Design, Marketing and Retail & Financial Services forming the Intelligence & Events Division managed by Phil Thomas (CEO I&E) and the Digital Commerce division managed by Duncan Painter (CEO DC). As the risks and opportunities for each division differ, they each play a role in the assessment and management of climate-related risks and opportunities through the enterprise risk management framework (see page 48 for more details) . Our Head of Corporate Responsibility works across both divisions to identify climate related risks and opportunities, set company wide goals, align activity with identified goals, measure company wide impact and also report on progress. Cannes Lions, Money20/20, WARC and WGSN all participate in a cross brand Sustainability Forum, led by our Head of Corporate Responsibility, which meets twice a quarter. The aim of the Forum is to raise awareness and upskill our colleagues on climate change and sustainability in order to better serve our customers in this area and meet our company-wide goals. The agenda in 2022 has focused on cross company opportunities to upskill colleagues on sustainability issues and a shared approach to event sustainability.

Risk Management

Section	Risk Management
Risk Identification and assessment process	In 2021, the TCFD working group conducted a materiality assessment and qualitative scenario analysis exercise to identify climate-related risk and opportunities that are material to Ascential. During 2022, the climate-related risks and associated KPIs identified through this assessment were integrated into our enterprise risk management process (please see page 48 for more detail). Climate-related risks which are considered material at a group level have been included in the Company's principal risk register within the relevant principal risk (e.g. 'changing business model' and 'changes in consumer behaviour' which both fall as sub-risks under 'customer end-market development'). Please see the principal risk section on page 50 for more detail.

Strategy

Section	Our Strategy
Materiality assessment	The materiality assessment conducted in 2021 identified that the impacts from a societal transition to a low carbon future are more likely to impact Ascential than the probable physical impacts of climate change. Materiality was determined through a weighted classification of internal and external data sources, resulting in an inherent risk score that determined three categories: material (mitigate), not currently material (monitor) and immaterial (accept). We identified some material risks and opportunities that are equally applicable across our business (e.g. carbon reporting) and others that are product specific (e.g. event waste) but deemed material due to their significant financial and reputational impact. A full list of our material climate-related risks and opportunities are outlined on the following pages.
Qualitative scenario analysis	For the qualitative scenario analysis exercise we created a single pathway to the year 2040 that allowed us to explore how the material risks and opportunities may develop in the short (<3 years), medium (3-15 years) and long-term (>15 years). Our scenario was based on 2°C average global warming by 2100 as the most likely warming scenario, using a combination of projected physical changes (informed by the Representative Concentration Pathways) and socio-economic changes needed to tackle climate change (informed by the Shared Socio-economic Pathways). The scenario analysis was designed to explore one potential future and the results of our scenario analysis have been used to validate our risk identification and mitigation approach based on this 'middle of the road' future scenario. This assessment was reviewed in 2022 in the context of amended regulatory requirements and new risks and opportunities associated with acquisitions and disposals made during the year.

Taskforce on Climate Related Financial Disclosures statement continued

Section	Our Strategy
Financial impact of climate-change related risks and opportunities	During 2022, we considered the magnitude of the defined climate related risks over the period FY23 to FY27, which is the period used by the Board for medium-term planning. We concluded that some of the material climate-related risks would not have a material financial impact in the five year review period. These risks were therefore deemed immaterial for the purposes of assessing financial impact over the period to FY2027. For climate-related risks that may be material, we identified drivers of the financial impact associated with each risk and considered in more detail whether there would be a material impact in a five year period. In some cases, costs were incorporated into business plans (e.g. Cannes Lions) however for others we do not yet have sufficiently detailed information to support incorporation into our financial planning process. We intend to revisit assessing the financial impact of climate change related risks and opportunities once we have completed our costed net zero transition plan in 2023. Overall, we consider that the Company remains resilient to climate-change risk and the impact of a 2 degree warming scenario is low.

Climate-related material risks

Risk	Category	Description	Impact	Mitigating Activity
Changing business model	**Transition:** Market	**There is a risk that...** Ascential is unable to adapt and respond to changing market needs as our customers work to improve their own sustainability performance. Timeframe: Medium Likelihood: Medium Impact: High	Customers experience climate-related regulatory increases, and their budget prioritisation may change as they experience climate-related cost increases (such as fuel, energy licensing, etc.). Some customers may be lost if Ascential lacks the advisory and communications skills to market its sustainability credentials effectively.	Continue market scanning to inform Ascential strategy and ensure that we develop our proposition to respond to customers' needs. Maintain a close dialogue with customers to monitor changes in demand for climate-related products and capabilities.
Carbon reporting	**Transition:** Policy and legal	**There is a risk that...** Ascential does not have the resources needed to meet reporting requirements to the frequency or quality required. Timeframe: Short Likelihood: High Impact: Medium	As the operators of some of the largest and most complex datasets in the sector, Ascential must demonstrate an ability to account for and mitigate or offset the emissions associated with this data requirement.	Employ an external consultant to calculate and produce the annual SECR and carbon emissions reporting information. Formalised and documented process for reporting scopes 1 and 2. Continue to monitor obligations and stakeholder expectations around carbon reporting and take appropriate action.

Risk	Category	Description	Impact	Mitigating Activity
Waste	**Transition:** Technology/ Reputation	**There is a risk that...** avoidable waste from events becomes societally unacceptable due to its cumulative impact. Timeframe: Short Likelihood: High Impact: Medium	Increased cost or scrutiny surrounding the waste generated as part of business operations, including event merchandise. Some customers may become unwilling to be associated with our flagship events because of environmental impact.	Cannes Lions 2022 continued to improve sustainability at the Festival. Activity included reducing and recycling event merchandise, using a third party to measure delegate travel, and investigating where emissions can either be eliminated or offset. Investigate how to improve the environmental impact of Ascential's other events. Review and reduce the volume of single-use products and waste generated from events.
Changes in consumer behaviour	**Transition:** Market	**There is a risk that...** society moves away from current levels of consumerism. Timeframe: Medium Likelihood: High Impact: High	A systemic change in the way consumers purchase goods with large-scale reductions in the purchasing volumes and a pursuit of longer lasting, high-quality products.	Monitor demand for climate-related products and capabilities and explore opportunities to align our services with the value of purchased goods rather than volume of purchased goods.
Business disruption	**Physical:** Acute/ Chronic	**There is a risk that...** Ascential faces business disruption, due to global factors (e.g. large-scale social unrest) or local incidences (e.g. property damage from extreme weather events). Timeframe: Medium/ Long Likelihood: Medium Impact: Medium	Compromised ability to deliver customer services, resulting in a loss of revenue.	Continue to maintain Ascential's business continuity planning including reviewing the plan in the context of geographical exposure associated with newly acquired businesses. The nature of Ascential's business, being asset-light and diversified across different sectors and regions, minimises the potential impact of localised geopolitical disruption or physical climate impacts. We lease our office space with shorter period leases where possible to maximise flexibility.
Event attendance	**Transition:** Market/ Reputation	**There is a risk that...** customers perceive emissions associated with attending events to be a barrier to attendance. Timeframe: Medium Likelihood: Medium Impact: Medium	Event organising services need to adapt to a changing market where flights are expensive, and participants are increasingly conscious of the climate-related impacts associated with travel.	Demonstrate our credentials as an industry leader in sustainable events. Leverage hybrid event offerings. Reduce or offset emissions associated with delegate travel.

Taskforce on Climate Related Financial Disclosures statement continued

Metrics & targets

We track a variety of climate-related metrics and use these metrics to manage performance against our goals and to monitor current and future climate-related risks.

Section	Our metrics and targets
Metrics and targets	Our KPIs include a range of our direct operations as well as interactions with partners to monitor our transition to a net-zero business. The climate-related targets we set in 2021 remained relevant in 2022. Progress against these targets is set out in the table below. A key focus for the year, which will continue into 2023, is to improve the processes around carbon emissions data management and establish a baseline for reduction setting targets across all areas of business activity. We included climate-related indicators in an initial set of brand trackers in 2022 to develop a better understanding of our customers' sustainability needs. In addition to the KPIs listed below, we have been measuring and reporting our direct energy consumption and carbon emissions since 2016, and our Streamlined Energy Carbon-related disclosure can be found on page 81. We do not apply a materiality assessment to our Scope 1 and 2 emissions. In 2023 we will undertake a cost based scope 3 analysis to understand our material scope 3 emissions and enable us to set realistic and meaningful reduction targets.

Climate–related Targets

Risk	Metric	Target	Progress to date
Carbon reporting	% Reduction (scope 1 and 2)	Develop plans to get to operational net zero by 2030. Develop a costed Carbon Transition Plan in 2023.	We have identified the need to develop a carbon transition plan, which will identify the costs, targets and activities required to achieve the UK commitment for all businesses to be net zero by 2050. The transition plan will inform realistic and meaningful carbon reduction targets. Therefore, we have deferred setting reduction targets until the transition plan has been developed.
Carbon reporting	% Data centre footprint using renewable energy or carbon reduction, or tCO2e associated with data centre.	Calculate baseline of Ascential tCO2e associated with data centres. 100% of third-party data centres use renewable energy by 2025. Set offset targets for tCO2e associated with Ascential's data centre usage.	The majority of our data is cloud stored with services which use renewable energy. The few remaining contracts with physical data centres are aiming to be transferred to renewable energy providers in 2023. Targets for offset and/or reduction will be calculated as part of the transition plan in 2023.

Risk	Metric	Target	Progress to date
Carbon reporting	CO_2e/per attendee	Carbon footprint all major events in order to set baseline data and develop targets for emissions reduction as part of the transition plan, to be completed by the end of 2023.	Cannes Lions worked with suppliers to calculate baseline carbon footprint for the event in June 2022. Reduction targets will be set in 2023 as part of the costed net zero transition plan. Our other major events brands will conduct the same exercise in 2023.
Waste	Tonnes of waste per attendee	Waste footprint calculated for all major events in order to set baseline data and develop targets for reduction.	Cannes Lions worked with suppliers to calculate baseline waste footprint for the event in June 2022. Reduction targets will be set in 2023 as part of the costed net zero transition plan.
Waste	% of office waste recycled	Audit all offices by the end of 2023 in order to assess current and future capabilities for waste disposal and recycling. Set targets for recycling and reducing waste to landfill by end of 2023.	We have audited 50% of our offices for recycling facilities and of those audited 78% have paper recycling facilities and 72% have plastic recycling. We intend to increase this to 100% of leased offices during 2023.
Change in consumer behaviour	number or % Increase of sustainability-focused content	Put measurement system in place to measure sustainability-focused content across all brands. Continue to Upskill content creators on Sustainability issues. Set targets for % of content to include Sustainability considerations.	Over 180 pieces of sustainability focused content were published in 2022. Three of our brands have targets around the amount of sustainability content they produce. This approach to goal setting will be rolled out further in 2023.
Business disruption	% Suppliers with carbon reduction targets	100% of suppliers with spend over £50,000 per annum signed up to climate change statement in RFP.	We updated our Supplier Code of Conduct to include a requirement for our suppliers to adhere to all applicable environmental laws and regulations, and to appropriately mitigate climate change risk and contribute to reducing the environmental impact of their products and services. We will extend this to all suppliers in 2023. All suppliers signing contracts with us in 2022 signed up to the new code of conduct.

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Taskforce on Climate Related Financial Disclosures statement continued

Risk	Metric	Target	Progress to date
Business disruption	Number of sole suppliers / key dependencies in geographies at high risk from physical effects of Climate Change	Assess supply chain to understand the risk related to sole suppliers or key dependency suppliers. Set targets regarding management of sole suppliers or key dependency suppliers at high risk from physical effects of Climate Change before the end of 2023.	Supply chain risk continues to be managed by our Procurement team with support from our Director of Safety and Security. Climate change risk is now considered through this process, with a focus on regions identified through the ND-GAIN Country Index as high risk.
Event attendance	% score against Ascential sustainable events indicators	Develop Ascential sustainable events indicators (e.g. net zero emissions, no single-use plastic, maximum % of waste to landfill) by the end of 2023. Set minimum % Ascential events must obtain against the Ascential sustainable events indicators by the end of 2024.	Measuring the carbon footprint of the events, which was completed for the Cannes Lions Festival in 2022, was the first step to enabling the development of the sustainable events indicators in 2023.

Climate-related opportunities

As part of our assessment process, we explored potential climate-related opportunities as well as assessing our material climate-related risks. We have focussed on managing our climate related risks and so continue to be at an early stage of this opportunity assessment. Our strategy will continue to evolve as we better understand the scale of our climate-related opportunities.

Streamlined Energy and Carbon Reporting

This report meets the reporting requirements under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to implement the UK government's policy on Streamlined Energy and Carbon Reporting (SECR). This report includes global carbon emissions data from the current and previous two years. All entities within the Group are included in the scope of emissions reporting.

We have reduced our scope 1 and 2 emissions when viewed via the intensity factors of both square footage and headcount. The main driver of this reduction was the consolidation of our London offices into one building, which is used more intensively. As expected and explained last year, our scope 3 carbon emissions have increased from 2021 driven by the easing of Covid restrictions and the return of our global events. Due to the impact of Covid on travel and office occupation in 2020 and 2021, we will adopt 2022 emissions as our baseline for setting reduction targets as they represent a more meaningful starting point. The UK element of this report will be used as the Total Energy Consumption (TEC) element of the Phase 3 Energy Savings Opportunity Scheme (ESOS) report, which is due to be published in 2023.

You can read more about our plans for reducing our emissions in the previous sections on Climate Change Resilience and in our Task Force on Climate Related Disclosures statement.

Methodology & Scope:

Regional Office Managers work with landlords and lease holders to obtain records of gas and energy usage in our offices throughout the year.	Office Managers submit site energy usage to the centrally managed data management tool.	Data is quality checked by the Property and Corporate Responsibility Team. It's compiled to send to the external consultant for checking and reporting purposes.	External Consultant analyses data. Relevant conversion factors are applied and the data is checked against supporting evidence to produce SECR report.	Report assessed internally and relevant commentary added to provide additional information on any data changes.

The adopted methodology used is based on the Greenhouse Gas Protocol Corporate Reporting Standard reporting on equivalent CO_2 emissions from organisational boundaries. Information has been gathered in a format intended to be compliant with the ESOS Regulations. For scope 1 & 2 emissions, we have collated data into kWh for all UK and global based operations directly owned or operated by Ascential (i.e. the organisational boundary), excluding co-working spaces with less than 10 desks hired. The kWh have been converted to equivalent tonnes of carbon dioxide (tCO_2e) using 2022 UK Government Greenhouse Gas Conversion Factors for Company Reporting as well as data published for the conversion of international emissions using Gross Calorific Value. Scope 3 emissions relating to centrally managed business travel and global air travel have also been measured.

As part of our work to improve our greenhouse gas reporting process, we conducted an assessment of the material sources of scope 3 emissions within our business activities, in line with 15 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The main criteria for materiality were size, influence on reduction, links to climate change and stakeholder preference in line with the Greenhouse Gas Protocol guidance. In 2023 we will continue to develop our process for assessing and measuring our scope 3 emissions as well as identifying opportunities for reducing our environmental impact.

The table on page 83 outlines the scope 3 categories we consider to be most material to our value chain.

Streamlined Energy and Carbon Reporting continued

Global Greenhouse Gas (GHG) Emissions Summary:

The table below includes combustion of fuels (Scope 1), purchase of energy including electricity, heat and cooling (Scope 2) and business travel and hotel emissions (Scope 3)

	2020	2021	2022	Unit
Emissions Type				
Scope 1 [1]	5.15	0	**0**	Tonnes of CO_2
	28,020	0	**0**	kWh
Scope 2 [2]	724.90	709.62	**758.11**	Tonnes of CO_2
	2,369,630	1,907,144	**2,322,710**	kWh
Total Scope 1 & 2	730.05	709.62	**758.11**	Tonnes of CO_2 kWh
	2,397,650	1,907,144	**2,322,710**	
	23.60% from UK	10.25% from UK	**18.26% from UK**	
Intensity Factors				
1. Turnover	not used	not used	**£526.8m**	Revenue in GBP
2. Total area	22,577	21,509	**26,344**	Square metres
3. Total headcount	1,991	2,545	**3,347**	Full-time equivalents
Carbon intensity 1	not measured	not measured	**1.44**	Total tCO2e/£m revenue
Carbon intensity 2	32.33	32.99	**28.78**	Total $kgCO_2e/m^2$
Carbon intensity 3	366.65	278.80	**226.50**	Total $kgCO_2e$/FTE
Scope 3 emissions				
Global Car travel [3]	17.05 From 98,100km	1.56 From 9,010km	**7.70 From 45,256 km**	Tonnes of CO_2
Global Air travel [4]	1,495 From 7,801,850km	217.90 From 905,887km	**2,289.30 From 13,721,410km**	Tonnes of CO_2
Global Hotel Nights	44.57 From 1,869 nights	4.50 From 277 nights	**79.21 From 4,778 nights**	Tonnes of CO_2
Global Rail Travel	not measured	1.52 From 39,964 km	**32.15 From 905,840 km**	Tonnes of CO_2
Total reported Scope 3	1,556.62	225.48	**2,408.36**	Tonnes of CO_2
Total reported Scope 1, 2 and 3	2,286.67	935.10	**3,166.47**	Tonnes of CO_2

1 Scope 1 emissions from natural gas only.
2 Scope 2 emissions data includes some pro-rata data on landlord supplied energy including an average kWh/m^2 rate for offices without metered billing.
3 Global Business Car Travel relates to grey fleet expenses returns from staff using their own transport with appropriate fuel rates applied.
4 Global air travel emissions are split 60/40 between flights to/from UK and non-UK flights for average passenger.

Materiality of Scope 3 Emissions

Category 1 – Purchased goods and services	Relevant, emissions not yet calculated
Category 2 – Capital Goods	Currently assessed not relevant
Category 3 – Fuel and energy related activities (not included in scopes 1 & 2)	Relevant, emissions not yet calculated
Category 4 – Upstream transportation and distribution	Currently assessed not relevant
Category 5 – Waste generated in operations	Relevant, emissions not yet reported
Category 6 – Business Travel	Relevant and emissions reported annually
Category 7 – Employee commuting	Relevant, emissions not yet calculated
Category 8 – Upstream leased assets	Relevant, emissions not yet calculated Applicable to our brands which produce events
Category 9 – Downstream transportation and distribution	Currently assessed not relevant
Category 10 – Processing of sold products	Currently assessed not relevant
Category 11 – Use of sold products	Relevant, emissions not yet calculated Applicable to our brands which produce events
Category 12 – End of Life treatment of sold products	Relevant, emissions not yet calculated Applicable to our brands which produce events
Category 13 – Downstream leased assets	Relevant, emissions not yet calculated
Category 14 – Franchises	Currently assessed not relevant
Category 15 – Investments	Currently assessed not relevant

Social impact

Charity Partnerships

Progress made in 2022

- We have maintained our partnership with The Prince's Trust for the 10th year and sponsored the 'Education Achievers Award' for the fifth year running.
- Brands also developed charitable partnerships at a local level that aligned with their brand values and colleague interest. This saw a wide range of organisations being supported in a range of ways from charitable donations, to volunteering and skills sharing.

Activity detail

- This year the Million Maker's team raised £488,000 for The Prince's Trust, taking our total amount raised over 10 years to £2.5 million. The Trust is a youth charity that helps young people aged 11 to 30 get into jobs, education and training. The Million Maker's competition sees a team of colleagues volunteer for six months to work together to raise as much money as possible for the charity.
- Lions once again donated the profits from the Sustainable Development Goals (SDG) Lion to a range of charities or Not-for-Profit organisations who had entered and won an SDG Lion. Entrants have to demonstrate how they have advanced or contributed to the SDG 2030 goals. In addition, the Glass Lion raised €52,000 for charities supporting gender equality.
- We continue to support Goals for Girls through a three year sponsorship agreement. They are a London based charity supporting young women and girls in raising their aspirations, confidence and motivational skills by breaking down social and personal barriers through sports and education.
- We ensured that our colleagues affected by the Ukraine war had the support they needed. In addition we donated £100,000, split across the UNHCR (UN Refugee Agency), UNICEF and British Red Cross to support refugees. Lions welcomed free of charge Ukraine creatives who were able to attend Cannes Lions and refunded award submissions for Ukraine agencies.
- Examples of charitable giving at a brand level include Flywheel Digital and Whytespyder. Flywheel Digital continued its partnership with Next One Up (NOU), a long-term mentoring non-profit that transforms the lives of young men in Baltimore City by supporting their development with programming starting in middle school. They have recruited a growing number of NOU alumni and have partnered on events that directly support the learning and long-term development of their students. Whytespyder donated $75,000 to charities supporting child safety, healthcare, and women's rights. Their involvement with these charities went beyond fundraising, with employees volunteering and promoting the events through official channels.

Looking ahead to 2023

- We will continue to partner with The Prince's Trust, raising vital funds for their inspiring work.
- Brands will be encouraged to develop charity partnerships at a local level that align with their colleagues, communities and customers' priorities.
- We will develop further volunteering opportunities as a way to bring colleagues together and support local charities.

Diversity, Equity and Inclusion (DEI)

The following section provides details of the work we are doing for our customers and wider society in relation to DEI. For information on our DEI work in relation to our colleagues please see page 60 of our People section.

Commitments

Vision

For Ascential, diversity is at our core. Our value as an employer and to our customers is greater when we draw on the full range of our collective perspectives and experiences. We continue to be committed to attract, retain, develop and engage a diverse workforce, and we will work constantly to ensure that everyone at Ascential feels comfortable to be themselves. This is the right thing to do to ensure a sustainable future for our organisation and to make a positive impact for our people, customers and society.

Commitments

To employees
We will co-create an inclusive culture with equitable systems throughout our workforce, so that people are comfortable in bringing their authentic selves to Ascential, to thrive and progress their career.

To customers
We will deliver the ideas, perspectives and cultural richness that our customers – and their customers – need to future-proof their products and services.

To society
We will play our part in imagining and developing a brighter, more equal society, starting with our own company and the industries we work in. We will report openly and regularly on our progress to enable others to learn from us and hold us to account.

Objectives

Employees
- We aim to create a workforce that fully reflects, at all levels, the ethnic diversity of our major markets before 2030.
- We aim to ensure our senior leadership represents an equal gender split before 2030.
- We commit to measuring and assessing any possible gender and ethnicity pay gap.

Customers
- Each of our major brands will develop specific, measurable and public ways of championing diversity in their respective industries and track progress systematically.

Society
- We will report honestly on our workforce diversity data and initiatives on an annual basis to create accountability, show progress and share our lessons.
- We will continue to manage and seek appropriate charity partners in line with our ambitions to support young people to succeed in the digital world.

Diversity, Equity and Inclusion (DEI) continued

Progress made in 2022

- We conducted our fourth Inclusive Representation Content Audit, part of an internal programme of activities which measures and delivers representative content and marketing.
- Lions continued its partnership with Black Executive CMO Alliance (BECA) to support the next generation of Black marketing leaders.

Activity detail

- Since our first Inclusive Representation Content Audit in 2021, our Content and Marketing teams have implemented action plans to ensure that their content represents the diversity of the communities we serve. Through the audits we assess the perceived gender and race and ethnicity of all quoted individuals, contributors and imagery used. Our last audit of October 2022 reviewed 1,349 pieces of content and the overall gender split was 45% men, 50% women and 4% unidentified. This is a 5% increase in female representation from the first audit conducted in May 2021. 26% of images and contributors were from a perceived minority ethnicity and 68% from a majority ethnicity which is consistent with the results from 2021.
- Tracey Davies, the President of Money 2020, was named Diversity, Equity and Inclusion Industry Champion by The Financial Technologist for the 'Do Better Pledge' programme. This programme works to increase representation around gender, and race and ethnicity, on panels at Money20/20 events.
- Lions had DEI as a content pillar at the Cannes Lions Festival in June, ensuring it was a core theme running through every stage and presentation. The Brand continued its partnership with Black Executive CMO Alliance (BECA) to support the next generation of Black marketing leaders. In conjunction with The BECA Playbook, the alliance sponsored eight Future Leaders to attend the Cannes Lions Festival. It was the first time BECA took to the global stage at Cannes leading discussions on the role of Black marketers in disrupting the marketplace, diversifying brand storytelling, and creating a pipeline for Black marketing leaders.

Looking ahead to 2023

- Brands will continue to lead on activity which matches the priorities of their colleagues, customers and communities
- Our 2023 DEI report, to be published in Spring 2023, will set out the commitments for the year ahead along with reporting progress against existing commitments.

Money20/20's Do Better Together programme

Governance

This section relates specifically to how we govern our ESG work. For information on governance at Ascential more broadly, please see the Corporate Governance Report on page 102.

Overview

Progress made in 2022

- Governance of issues related to environmental and social impact are starting to be embedded within Divisions and Brands.
- Establishment of groups such as the Ascential Intelligence and Events Sustainability Forum and the Ascential Digital Commerce DEI committee put accountability and governance within the Divisions.

Activity detail

- Paul Harrison is the Executive Director with responsibility to the Board for ESG matters.
- Digital Commerce has established a Diversity, Equity and Inclusion (DEI) committee with representatives from each of their Brands, who together are taking the lead on strategy and activity. They report into the Digital Commerce Executive Committee.
- Ascential Intelligence and Events have DEI committees at brand level and have established a Sustainability Forum at Division level. The Forum is responsible for coordinating Sustainability work from across the brands, aligning best practice, sharing goals and reporting back to the Ascential Intelligence and Events Executive Committee.
- The Central Corporate Responsibility Function supports across both Divisions to identify ESG related risks and opportunities, set company wide goals and KPIs, align activity with identified goals, measure company wide impact and report on progress.
- The Ascential Audit Committee reviewed and signed off the process we developed to consider the climate-related impact on Ascential's consolidated financial results over the next five years.
- The Annual ESG update was shared with the Board which included progress against ESG targets and KPIs, reports on key projects and provided the opportunity for the Board to shape priorities.

Looking ahead to 2023

- We relaunched the Ascential Code of Conduct in January 2023, ensuring that all colleagues, including new acquisitions, have read and understood our policies and ways of working.
- ESG Dashboards will be created for Divisional Executive Committees and the Board to more readily monitor progress and priorities throughout the year.

Cannes Lions' See It Be It programme

Compliance Framework

Our formal compliance framework enables a structured and consistent approach to managing our ESG policies and compliance more generally. The framework is structured around 12 Compliance Pillars under which we focus our priorities. Where appropriate we have policies governing each area and further information is provided below.

Summary of the Compliance Framework

	People	Acting with integrity	Good operational governance
Code of Conduct	●	○	○
Whistleblowing	●	○	○
Competition Law	○	●	○
Anti-Bribery and Corruption	○	●	○
Financial Crime	○	●	○
Listing Requirements (inc. Market Abuse Regulations)	○	●	○
Economic Sanctions	○	●	○
Third Party Code of Conduct	○	●	○
Data Security	○	○	●
Data Privacy	○	○	●
Health and Safety	○	○	●
Physical Security	○	○	●

Employee Code of Conduct

The Ascential Code sets out our key compliance commitments, and expectations in terms of ethical and lawful conduct for our people and external partners.

It is available in English, Simplified Chinese and Brazilian Portuguese for our colleagues.

The code of conduct is broken down into four sections:

About the code

- Details how the code is applicable to all colleagues and partners who act as an extension of our business including consultants, suppliers and joint venture partners.
- Details of our 'Speak Up' service are included which is our whistleblowing system – further details on page 91.

We are committed to ethical and safe working

The policies included in this section are:

- Whistleblowing policy
- Equal Opportunities policy
- Health and Safety policy
- Conflict of Interest policy

The section sets out how we respect others, promote well-being and safety and avoid conflicts of interest.

We act with integrity

The policies included in this section are:

- Records retention policy
- Anti-facilitation of tax evasion policy
- Anti-bribery and corruption policy
- Gifts and hospitality policy
- Expenses policy
- Sanctions policy
- Employee Share Dealing code

The section sets out how we keep accurate records, actively prevent illegal transactions, do not tolerate any form of bribery and corruption and the approach we take to gifts and hospitality. We follow trade sanctions and explain the prohibition on insider dealing. We compete honestly and fairly.

We operate responsibly

The policies included in this section are:

- Cyber Incident Policy
- Acceptable Use Policy
- Data Classification Policy
- Guide to Working with Procurement
- Third Party Code of Conduct (more details on page 89)
- Global Data Protection
- Standards and Procedures

This section sets out how we protect our assets and information and the personal information and data from our colleagues, customers and clients. We value and respect our partners and source responsibly, ethically and lawfully.

Third-Party Code of Conduct

To best serve our customers we require a truly global supply chain. We also recognise that responsible and ethical sourcing is key to our success. Our Third Party Code explains our ethical approach to doing business and the standards we expect all our suppliers to abide by as well as what we expect of our suppliers' subcontractors.

During 2022, we added Climate Change risk as a new standard in our Third Party Code of Conduct to address the risk climate change has in our supply chain.

Main principles of Third Party Code of Conduct:

No forced, involuntary or child labour
- There is no forced, involuntary or debt bonded labour in any form including slavery or trafficking of persons. There are no workers under the age of 15, or where it is higher, the mandatory school leaving age in the local country. The use of legitimate workplace apprenticeship programmes, which comply with all laws and regulations, is supported.

Freedom of association
- Workers, without distinction, have the right to associate freely, join or not join labour unions, seek representation and join workers' councils as well as the right of collective bargaining in accordance with local laws.

Diversity and equality
- There is equality of opportunity and treatment regardless of physical attributes or condition (including pregnancy), gender, religion (or absence of such beliefs), political opinion, nationality, sexual orientation, age or ethnic background. Equal pay for work of equal value is supported. Discrimination or intimidation towards and between employees is opposed, including all forms or threats of physical and psychological abuse.

Business integrity
- There is no tolerance of any form of corruption, bribery, fraud, extortion or embezzlement and business is conducted in a manner that avoids conflicts of interest.

Read more
The full Third Party Code of Conduct is available on our website: **ascential.com**

Fair competition
- Fair business, advertising and competition are supported.

Intellectual property, privacy and data security
- There is respect for and protection of intellectual property rights, data and confidential information to safeguard it against and prohibit loss and unauthorised use, disclosure, alteration or access. Our intellectual property and confidential information are handled and data processed on our behalf only for the purposes for which they were made available, received or collected in accordance with the reasonable directions provided by us.

Business continuity
- Any disruptions of business are prepared for (including but not limited to natural disasters, pandemic, terrorism or cyber attacks). Risks are frequently assessed, and appropriate controls put in place and regularly tested.

Quality, health, safety and environment
- All required quality, health, safety and environment related permits, licences and registrations are obtained, maintained and kept up to date and their operational and reporting requirements are followed. Proper provision is made for the health, safety and welfare of employees, visitors, contractors, the community and the environment.
- Health, safety and environmental risks are regularly assessed, and appropriate controls are put in place bearing in mind the prevailing knowledge of the industry and of any specific hazards.

Climate Change risk
- We require adherence to all applicable environmental laws and regulations, to appropriately mitigate climate change risk. We assess environmental impact in our supply chain with respect to any or all of the following: carbon emissions, energy consumption, travel, water consumption, single use plastics, paper usage and operational waste. Our expectation is that our suppliers and supply chain cooperate and contribute to reducing the environmental impact of their products and services.

Compliance Policies

Audit Committee Oversight

The Director of Compliance reports to the Audit Committee at least annually with ratings for group-wide compliance across each of our eleven identified compliance pillars.

Modern Slavery

We have a zero-tolerance approach to Modern Slavery of any kind. Our work to eliminate Modern Slavery is supported by customers, suppliers and Ascential employees.

We assess the risk of Modern Slavery in our internal operations and our external supply chain against criteria including: (i) geography (countries where bonded labour is more prevalent); (ii) sectors (the nature of product or service procured or supplied and whether it is typically associated with unfair labour practices); and (iii) the nature of our business operations. Our assessments are informed by sources such as the Walk Free Foundation.

High and medium-risk suppliers are required to adopt our Third Party Code of Conduct and to complete a questionnaire designed to identify any areas of non-compliance with that code, as well as confirm that our supply chain is slavery and human-trafficking free.

We reserve the right to terminate the business supplier relationship without consequence or liability if a supplier fails to fulfil the minimum standards we expect.

Our full Modern Slavery Statement, which has been approved by the Board of Ascential, is available on our website ascential.com/about us

Data privacy, personal data and cyber security

Data is integral to Ascential and our colleagues analyse and share data every day in providing services to customers. It is critical to our business that we protect this data, manage it responsibly, and ensure we are collecting and storing it in the most compliant, secure and effective way.

Our global cyber security, data privacy and data protection policies are standardised across our brands and apply across our whole technology estate. We keep these policies updated by undertaking regular audits, the results of which are shared annually with the Audit Committee.

Our suppliers commit to following our data security and privacy controls. We manage this process through our initial supplier due diligence and ongoing through contract management.

Data Privacy

In 2022 we created a Data Privacy Hub, which provides policies, processes and information to help support the business to manage and maintain data privacy compliance across the organisation. Housing this information in one place has helped embed the approach across the business and enable quick onboarding with new acquisitions into our data privacy and safety approach.

Our eight commitments to data privacy and protection are:

- Being lawful
- Being fair and transparent
- Respecting individual rights
- Minimising data collection, keeping accurate and up-to-date data, and following retention policies
- Protecting personal data
- Appropriate safeguards for cross-border data transfers
- Good governance
- Accountability

Ascential has in place a governance structure to ensure that there is appropriate senior management responsibility and oversight. This includes:

- Data Privacy Steering Committee which is attended by senior business executives. The minutes from the Committee meetings are distributed to the CEO, CFO and COO.
- Ascential's Legal and Compliance Team and Internal Audit evaluate, test and report on the Ascential group entities' compliance with the policy to the Audit Committee annually.
- Independent audits are conducted regularly, Ernst and Young conducted an audit in 2021, and reported its findings directly to the Audit Committee. Data privacy will remain on the internal audit plan for future periods.

Personal Data

The B2B nature of our business means that we hold very limited quantities of personal data, outside of employee data. We have in place group-wide privacy policies which apply to all personal data processed by the Ascential group as a data controller for our own purposes.

Ascential takes steps to ensure it only processes personal data for specific and lawful purposes which are defined and explained to individuals when we process their data. Our use of such personal data is limited to those purposes and if this changes, we make sure the new purposes are provided to individuals prior to the commencement of such processing.

We respect the rights that individuals have in relation to their personal data and have processes in place to recognise and respond to individuals wishing to exercise these rights.

We ensure that personal data is kept up to date and not retained for longer than the purposes for which it was collected. Individuals may request deletion of their personal data which is actioned at a Brand level by our Privacy Champions.

Data Collection Guidelines

We have created a set of guidelines for relevant internal teams and third-party suppliers which set out our standards with regards to data harvesting. The guidelines have a clear set of 'do's and don'ts' with regards to data collection. In 2022 we developed a new policy on handling and using anonymised data, working closely with relevant teams to implement processes and testing to ensure the data was effectively anonymised.

Staff Training

All employees are required to undertake data privacy and security training as part of Ascential's Code of Conduct annual awareness training, which is also provided to new employees as part of their induction.

Targeted data privacy training is delivered annually to those areas of the business assessed as higher risk and to subject-matter experts (including Privacy Champions).

Cyber security

We have global information security policies and procedures to manage and maintain data security breaches.

We are committed to implementing leading data security safeguards and continue to deploy technical solutions to strengthen the management of data security and data privacy risk. These include:

- multi-factor authentication
- data loss prevention
- access and controls to systems and regular auditing of account access
- monitoring of compliance with our cloud security framework.

The results of the 2022 Cyber Security Audit were shared with the Audit Committee and progress against any recommended actions arising from the audit is tracked by Internal Audit.

All of our colleagues took part in Cyber Security training during the year with the Cyber team presenting live focussed sessions and generating good audience participation to ensure understanding and engagement.

Whistleblowing Policy

We have a formal whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately and that their confidentiality will be respected.

Wrongdoing includes failure to comply with legal obligations or regulations, including bribery and corruption.

The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

Our 'Speak Up' whistleblowing tool was in place throughout the year and colleagues can access details via the Code of Conduct on both the website and Intranet. We also have in place a confidential helpline operated by an independent third party. All incidents that are reported to us are uploaded into our case tracking and monitoring system, and are investigated, managed and tracked to completion.

The Audit Committee receives a report of all such incidents, together with the actions taken to investigate and resolve the complaint.

Anti-bribery and corruption

We have a formal anti-bribery and corruption policy which applies to all Ascential companies, Ascential employees and associated third parties.

We define a bribe as anything of value given in an attempt to affect a person's actions or decisions in order to gain or retain a business advantage. We define corruption as the misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.

Our anti-corruption policy prohibits offering, promising or giving a bribe; requesting, agreeing to receive, or accepting a bribe; and bribing a foreign public official to obtain or retain business or a business-related advantage.

The policy highlights areas where there is a higher risk of corruption:

- Journalists and editorial staff: specific risks that certain conduct may amount to bribes, for example the use of payments to improperly receive information, influence editorial decisions, write or publish an article with a particular focus not in keeping with journalistic integrity or reveal source information.
- Operations and procurement: employees who contract with associated third parties to supply services are required to be transparent about gifts or free services offered to incentivise staff to pick that supplier or venue over another and must comply with the Gifts and Hospitality policy.
- Facilitation payments: these are unofficial payments made to public officials to secure or expedite the performance of a duty or function. Facilitation payments are specifically prohibited.
- Due diligence and contract terms: all written contracts with third parties should include anti-bribery and corruption representations and warranties allowing for immediate termination of the contract if another contracting party or their agent pays or accepts bribes in connection with our business.
- Gifts and Hospitality: our Gifts and Hospitality policy is communicated to all employees, along with annual and new employee induction training to raise awareness. The policy and training communicate to employees: (i) that gifts or entertainment given or received must not give a feeling of an obligation or an incentive to behave in a certain way, (ii) the value limits of gifts and hospitality that employees may give and receive, and (iii) the requirement, prior to giving or receiving above certain limits, to declare on a centrally maintained register and obtain approval.

The policy also provides details of how employees can ask advice or report any suspected bribery or corruption to an independent third-party helpline, and explicitly confirms that no employee will be penalised for losing business by refusing to accept or offer a bribe.

The Ascential Board has appointed the Audit Committee to review this policy and the Audit Committee periodically monitors and audits compliance.

Tax Strategy

The Board is ultimately responsible for Ascential's tax strategy and we are committed to maintaining full compliance with all relevant laws and regulations in the countries in which we operate.

We take a low-risk approach to tax planning and we have a strategic objective to achieve a low-risk status as determined by HMRC's Business Risk Review process.

We seek to obtain this status through:

- Paying the right amount of tax on time
- Submitting all tax returns on a timely basis
- Ensuring that tax returns include sufficient detail to enable the tax authorities to form an accurate view of the affairs of the company filing the return with an adequate supporting audit trail and sign-off process
- Maintaining tax accounting arrangements which are robust and accurate and comply with local regulations as well as with the Senior Accounting Officer provisions in the UK.

Working closely with the tax authorities at all times we seek to ensure that our tax affairs are transparent and sustainable for the long term. We publish our tax strategy on our website to allow stakeholders, including shareholders, governments, colleagues and the communities in which Ascential operates, to understand our approach to taxation.

Health & Safety

We have a comprehensive risk management process in place, and through this we identify risks to people's health, safety and wellbeing and put in place measures to manage them appropriately.

The main features of the Ascential safety organisation are:

- Safety Committee – which reports to the Executive Committee, and
- Safety Working Group – which reports to the Safety Committee and includes Safety & Wellbeing Champions

The Safety Committee is chaired by the Chief People Officer. It meets quarterly and includes representation from each division and corporate functions. All accidents and near miss incidents are reported to the Safety Committee, with safety performance statistics collated quarterly.

The Safety Committee reports to:

- Group Executive Leadership Team
- Group and Divisional Risk Committees
- Audit Committee

Our objective is to ensure that everyone in Ascential is fully aware of potential safety risks and of everyone's role in ensuring that we take appropriate care of the safety, health and welfare of people in our offices, attending our events or travelling for business.

We follow the Plan-Do-Check-Act management system:

- Plan – publishing on the intranet our Health & Safety Policy and internal safety management structure;
- Do – assessing risk and holding regular reviews to ensure we are complying with our policy;
- Check – investigating all accidents, incidents and near miss events to identify areas for improvement or non-compliance; and
- Act – training and educating our people and taking corrective action where necessary.

For further information on our Health and Safety management in 2022 please see the update on page 61 of our People section.

Cannes Lions: A Case Study on Sustainability

Our ambition was to make the 2022 Cannes Lions International Festival of Creativity the most sustainable yet. This included a focus on sustainable operations and on putting sustainability as a core pillar across the festival's content.

Sustainable Operations:

- In 2022 we offset all staff and Jury flights – this totalled 865 tonnes of CO_2e which was offset through socially responsible initiatives.
- Solar charging stations were used across the Festival site to utilise sun exposure as an alternative to non-renewable power.
- There was a ban on physical flyposting and printed Festival guides to avoid printed material going to waste.
- There were more water fountains available around the site to reduce the purchase of one-use bottles.
- We produced a 'Green Supplier Guide' to help our suppliers to understand how they can work more sustainably e.g. reducing single-use plastic, eating in season and re-using set builds.

Carbon footprinting the event:

At the core of sustainable operations was measuring and assessing the carbon emissions and waste output of our 2022 event.

This involved:

- Using the impact measurement tool TRACE Isla to assess our carbon emission and waste figures. This took into account energy usage, production, catering, travel and transport.
- By starting to measure these metrics for the first time, we are developing an event emissions baseline which will be used for opportunity scoping and target setting.

Reducing waste:

In 2022, we partnered with not-for-profit organisation 'GreenBee Event Upcycling' which led to a positive social impact in the local Cannes area by:

- Donating of two built elements from the main event venue to an elementary school.
- Providing printed PVC boards to an association in Cannes which promotes sustainability in the South of France.
- Creating a sustainable area in the Foyer Debussy for international non-profit Act Responsible, with cardboard base walls and re-used furniture.
- Encouraged partners to collaborate with Givsly, who offered sponsors and partners an alternative to material giveaways. Festival sponsors could give delegates the opportunity to opt out of taking materials and instead the Sponsor gives a donation to a non-profit.

Sustainable Content:

We value the position we have to raise awareness of a sustainable future. We will continue to leverage the LIONS brand to drive sustainability throughout the Festival, give a platform to the industry to track progress and harness creativity at Cannes Lions to help find solutions. Through the Lions Awards we are able to champion and spotlight the work that is using creativity to drive progress in this area.

Some of the work recognised in 2022 includes:

These awards include:

- The Grand Prix Winner in the Creative Business Transformation Lions went to Piñatex' by L&C New York. By using waste pineapple leaves to create a vegan and cruelty free leather alternative, Dole Sunshine Company together with Ananas Anam contributed to the circular economy, while empowering independent local farmers through increased income channels.
- The Grand Prix award in the Innovation Lions went to Suncorp Group's 'One House to Save Many' prototype home in Australia which was resilient to extreme weather conditions. This aims to solve the societal and environmental issues of building and rebuilding homes destroyed due to climate change. They have collaborated with the Australian government to make their findings publicly available.

- The Sustainable Development Goals Lion was introduced in 2018 to celebrate initiatives which seek to positively impact the world. In 2022, Lions collaborated with WeTransfer to promote the free carbon footprint calculating tool Doconomy.

Sustainable Giving:

As part of the Festival's ongoing commitment to driving action on sustainability, all 2022 Sustainable Development Goals Lions entry fees have been donated to five Lion-winning charities. Each non-profit, who are actively supporting the ambitions of the United Nations' Global Goals across the world, has received an equal share of €226,860. The five charities are all fighting for vital causes from birth control rights, to freedom of speech, and food poverty to disability awareness.

On top of this, the entry proceeds from the Glass Lion were donated to causes promoting gender equality, seeing a further €51,760 being split between the Unstereotype Alliance and the Geena Davis Institute for Gender in Media.

Governance report

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Chair's introduction

Scott Forbes
Chair

> "Strong governance, alongside the Company's values and behaviours, underpins the integrity of our operations, and delivers and preserves shareholder value."

Dear Shareholder,

We have demonstrated our commitment to corporate governance through our full compliance with the UK Corporate Governance Code ("the Code") throughout 2022. The requirements of the Code are summarised on page 102, along with a reference to where we set out in detail how we have complied with its various provisions.

We delivered double digit revenue growth across all four segments in 2022, achieved though continued expansion within out attractive end markets and the strong return of our high quality events. You can read more about our performance in the Chief Executive's statement on page 6.

Strategic Review

As announced in January 2023, after a comprehensive review process, the Board announced its intention to proceed with a series of interdependent actions including disposal of WGSN, the demerger and US listing of Digital Commerce, and the continued LSE listing of our premium, global Events business. We have initiated the actions and are actively engaging with shareholders prior to seeking approvals.

Leadership

Following the Board expansion in 2021, we did not make any additional Board appointments in 2022. However, Funke Ighodaro stepped down from the Board on 9 September 2022 and Paul Harrison resigned as Executive Director and Chief Operating Officer in 2023. Paul will actively participate in the execution of the strategic review plan until he leaves the Company and Board on 31 May 2023.

We conducted a Board strategic review in November 2022 to assess whether the capabilities and experience of the Board was aligned to those required to support the Company's achievement of its business strategy, both before and after the proposed consummation of the strategic alternative initiatives. The outcome of that review is that the Board is well-aligned to the composition and strategic requirements of the business as the business exists today and that a separately listed Digital Commerce business will require an independent Audit Chair with relevant experience on US public company boards. You can read more about that process in the Nomination Committee report on page 114 and see more detail on our directors' capabilities and experience on page 100.

We have continued to focus on ensuring that organisational resources are matched to the Company's strategy and that succession plans are satisfactory for short term changes and for the long-term.

Conflicts of interest

The Board has a defined process for managing conflicts of interest or potential conflicts of interest. It is recognised that the proposed transactions could give rise or be perceived to give rise to potential conflicts of interests for Directors. We have introduced further measures that both prepare our businesses for a post-separation environment as well as manage both potential and perceived conflicts of interest.

Throughout 2022 to date, non-executive directors not associated with a future US listed Digital Commerce company have met independently as a group and have taken advice from legal counsel with respect to conflicts, duties and responsibilities. Furthermore, our Senior Independent Director Rita Clifton has led recurring meetings with the designated CEO and CFO of the Events business in preparation for operating as an LSE listed company. Non-executive Directors have met independently of the executives and both the Chair and Senior Independent Director have separately engaged directly with shareholders.

Effectiveness

It is a key part of good governance that the Board and its Committees undertake an annual evaluation to ensure that it continues to operate effectively. In accordance with the Code and our three-year performance evaluation cycle, this evaluation was facilitated by Korn Ferry for 2022. The Board evaluation process confirmed that the Board has worked effectively during the year, with the diversity of experience, knowledge and background providing a good breadth of skills. Non-Executive Directors confirmed that they felt highly engaged, and sufficiently involved in strategy formulation and felt able to be sufficiently challenging and supportive of management. All Directors will offer themselves for re-election at the forthcoming Annual General Meeting. Full details of the evaluation methodology and its outcome are set out on page 115.

The Non-Executive Directors devote considerable time to developing their knowledge and understanding of the business. In addition to formal Board meetings, the Directors attend an annual offsite meeting to review strategy. These extended meetings also give the Board the opportunity to hear directly from the wider senior leadership team.

Several of the Non-Executive Directors attended Money20/20 in Las Vegas during the year, giving them the opportunity to observe the quality of the event and the value that it brings to customers. Details of the Board's engagement with the business are set out on page 105.

Accountability

The Board considers principal and emerging risks throughout the year, as well as formally reviewing the Company's principal risks. The Audit Committee reviews the system of internal controls and risk management, and reports this work to the Board which then confirms the effectiveness of internal controls in place throughout the year.

You can read more about our principal risks and risk management framework on page 48 , and on the work of the Audit Committee on page 108.

Diversity

Our practice of conducting periodic internal and externally facilitated Board reviews has become a proven way of ensuring that our Board is comprised of Directors with a diversified range of capabilities as well as business, board and life experience. We believe that Directors with diverse experience best position the Board to assist the Company to achieve its evolving business strategy and success. A board that is diversified is an ideal platform for global expansion and recognising and adapting to changing consumer behaviours and is better prepared to respond to evolving industry trends and act upon new business opportunities.

As at 31 December 2022, Board composition was 60% female and 10% under-represented minority ethnic groups, which also satisfies the targets set by the Hampton Alexander and Parker reviews respectively. Our annual Diversity, Equity & Inclusion report outlines the progress against the targets we set for 2022 and will be published in April 2023. You can read more about our diversity and inclusion statistics and commitments on page 86.

Relations with shareholders

As Chairman, I am responsible for effective communication with shareholders and for ensuring that the Board understands the views of major shareholders. Our extensive investor programme is active throughout the year and is set forth on page 106. The Board receives feedback from investor meetings from me and the Executive Directors, and is further informed by the Company's brokers who report extensive feedback from investors on an unattributed basis. You can read more about how we engage with our investors on page 106.

Conclusion

I hope you find this report useful in understanding the arrangements and processes we have in place, and what we have done to comply with the recommendations of the Code. I believe that your Board remains effective and continues to work well. We have the right balance of skills, expertise and professionalism to continue to deliver strong governance whilst supporting the Executive Directors to execute the strategy we have designed to maximise value for shareholders.

Scott Forbes
Chair

3 April 2023

Governance at a glance

Highlights 2022

- Concluded its strategic review and announced our intention to pursue a series of interdependent transactions intended to maximise shareholder value
- Approved the acquisition of Sellics and Intrepid to further develop our Digital Commerce capabilities
- An externally-facilitated Board effectiveness review confirmed that the Board has worked effectively during the year, with the diversity of experience, knowledge and background providing a good breadth of capabilities.
- Reviewed progress against the ESG and DEI targets set for 2022

Priorities 2023

- Ensure that the Board's of Digital Commerce and Ascential plc are structured so that the skills and competencies of its directors align to its strategy, operational agenda and governance requirements of each company
- Adopt a deliberate and transparent approach to governance as the Board progresses with its proposed transactions such that potential conflicts of interest are appropriately managed and the Board operates in the best interests of shareholders overall.

Attendance

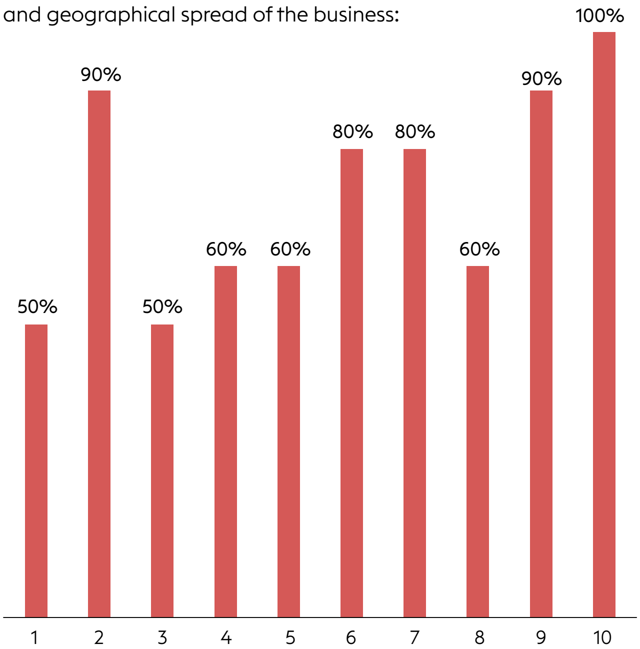
We have 6 scheduled Board meetings each year, including an offsite strategy meeting. Additionally, we held 2 ad-hoc meetings during 2022 to consider and approve acquisitions or minority investments. Due to the nature of the transaction process, these meetings are often called at relatively short notice however the Directors had already been briefed on the proposed acquisition. Prior to the meeting, all directors unable to attend receive the relevant supporting documents, have sufficient time to ask questions and receive answers, and provide their proxy vote in respect of the transaction to the Chairman.

The attendance by Directors at Board meetings during 2022 was:

Director	Meetings attended – scheduled	%	Meetings attended – ad hoc	%
Scott Forbes (Chair)	6/6	100	2/2	100
Duncan Painter (CEO)	6/6	100	2/2	100
Mandy Gradden (CFO)	6/6	100	2/2	100
Paul Harrison (COO)	6/6	100	2/2	100
Funke Ighodaro (NED)	2/3	67	2/2	100
Rita Clifton (NED)	6/6	100	2/2	100
Suzanne Baxter (NED)	6/6	100	1/2	50
Joanne Harris (NED)	6/6	100	2/2	100
Gillian Kent (NED)	6/6	100	2/2	100
Charles Song (NED)	6/6	100	2/2	100
Judy Vezmar (NED)	6/6	100	2/2	100

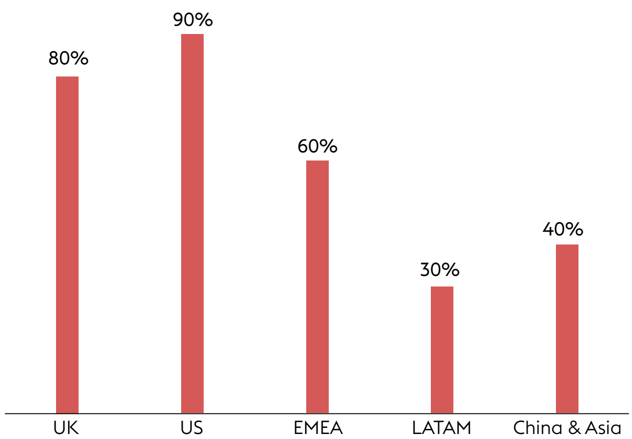
Experience

The Board has a wide range of experience and capabilities aligned to the Board's strategic and operational agenda and geographical spread of the business:



1 Audit and Finance
2 Business Integration and operational transformation
3 Consumer Packaged Goods Experience
4 ESG
5 Global Account Sales
6 Human Resources and Talent Management
7 Investor Relations
8 Leading-edge Digital Commerce
9 Listed environment
10 Strategy & Risk

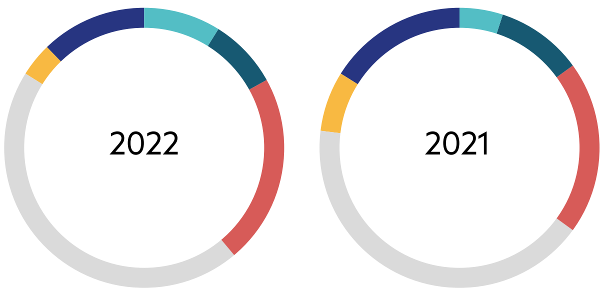
Geographical experience



Time

The Board has a rolling twelve month forward agenda to ensure that appropriate time is allocated to all aspects of its remit, including sufficient capacity for forward looking strategy discussions:

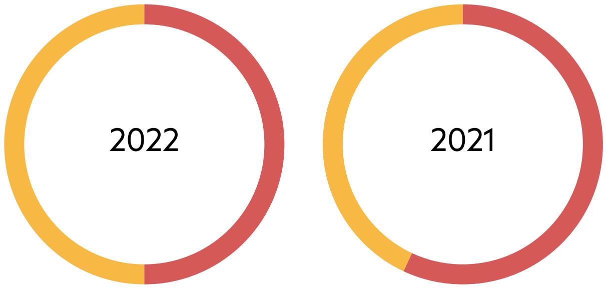
	2022	2021
Corporate governance	**9%**	5%
Capital allocation and budget	**8%**	10%
Performance, operations & risk	**22%**	20%
Strategy	**45%**	42%
Investor relations	**4%**	7%
Acquisitions	**12%**	16%



Independent Director tenure

We have a balance of the length of tenure amongst our Independent Non-Executive Directors:
(as at 31 December 2022)

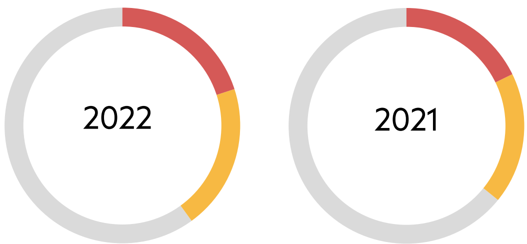
	2022		2021	
	Number	**%**	Number	%
0-3 years	**3**	**50%**	4	57%
4-6 years	**3**	**50%**	3	43%



Composition

The Board comprises a majority of Independent Non-Executive Directors: (as at 31 December 2022)

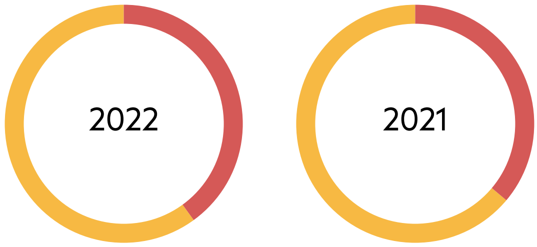
	2022	2021
Chairman & Chief Executive	**20%**	18%
Other Executive Directors	**20%**	18%
Independent NEDs	**60%**	64%



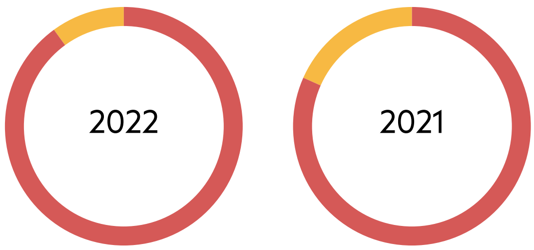
Diversity

The diversity of our Board composition, both in terms of gender and ethnicity, is shown below:

Gender	**2022**	2021
Male	**4**	4
Female	**6**	7



Ethnicity	**2022**	2021
White	**9**	9
Black, Asian or Minority Ethnic*	**1**	2



*We understand BAME is an imperfect term. We have used it here, as when comparing race data across regions it's the most commonly used aggregate term.

Our experienced and effective leadership

Scott Forbes
Chairman

Appointed to the Board
January 2016

Independent
Yes (on appointment)

Meetings attended
8/8

Committees
N

Key areas of prior experience
Board and committee chairing, business strategy, digital marketplaces, operations, finance, mergers & acquisitions and capital markets.

Current external appointments
- Chairman, Cars.com
- Senior Independent Director, Auction Technology Group plc

Previous experience
- Chairman, Rightmove plc
- Chairman, Orbitz Worldwide
- Non-Executive Director, Travelport Worldwide
- Group Managing Director, Cendant Europe

Duncan Painter
Chief Executive Officer

Appointed to the Board
October 2011

Independent
No

Meetings attended
8/8

Committees
–

Key areas of experience
Digital Commerce, digital media, consumer intelligence systems, mergers & acquisitions, business integration, operations, transformation.

Current external appointments
- Non-Executive Director, ITV plc

Previous experience
- Managing Director, Sky plc
- Global Product Leader, Experian plc
- Founder and Chief Executive Officer, ClarityBlue

Mandy Gradden
Chief Financial Officer

Appointed to the Board
January 2013

Independent
No

Meetings attended
8/8

Committees
–

Key areas of experience
Chartered accountant, corporate finance, mergers & acquisitions, financial restructuring, transformation.

Current external appointments
- Deputy Chair, Listing Authority Advisory Panel, FCA

Previous experience
- Non-Executive Director, and Chair of Audit Committee, SDL plc
- CFO, Torex Retail Holdings Limited
- CFO, Detica Group plc
- Telewest plc
- Dalgety plc
- Price Waterhouse

Suzanne Baxter
Non-Executive Director

Appointed to the Board
January 2021

Independent
Yes

Meetings attended
7/8

Committees
A

Key areas of prior experience
Chartered accountant, corporate finance, mergers & acquisitions, business services, audit, transformation.

Current external appointments
- NED and Audit Chair, Auction Technology Group plc
- External Board member, Pinsent Masons International LLP
- Independent Non-Executive, Public Interest Body of PricewaterhouseCoopers

Previous experience
- Audit Committee Chair, WH Smith plc
- CFO, Mitie Group plc

Gillian Kent
Non-Executive Director

Appointed to the Board
January 2016

Independent
Yes

Meetings attended
8/8

Committees
A R

Key areas of prior experience
Digital media, marketing, brands, remuneration, transformation, technology, strategy and voice of the consumer & customer

Current external appointments
- Non-Executive Director, Mothercare plc
- Non-Executive Director, SIG plc
- Non-Executive Director, Marlowe plc
- Non-Executive Director, THG plc

Previous experience
- Non-Executive Director, Pendragon plc
- Non-Executive Director, NAHL Group plc
- Non-Executive Director, Dignity plc

Joanne Harris
Non-Executive Director

Appointed to the Board
1 April 2021

Independent
Yes

Meetings attended
8/8

Committees
–

Key areas of prior experience
Business integration, transformation, CPG, global account consultancy sales, talent management, digital commerce, voice of consumer & customer

Current external appointments
- Board member, UC Health

Previous experience
- Chief Commercial Officer, Staples Inc
- Chief Customer Officer, Procter & Gamble
- Global President Beauty & Personal Care, kdc/one

The Board is committed to maintaining very high standards of corporate governance and ensuring values and behaviours are consistent across the business.

Paul Harrison
Chief Operating Officer

Appointed to the Board
January 2016 as NED
January 2021 as COO

Independent
No (from 1 October 2020)

Meetings attended
8/8

Committees
–

Key areas of experience
Chartered accountant, strategy and corporate finance, mergers & acquisitions, capital markets, audit, voice of consumer

Current external appointments
- Non-Executive Director and Chair of Audit Committee, Darktrace plc

Previous experience
- CFO, Just Eat plc
- Senior Independent Director and Chair of Remuneration Committee, Hays plc
- Non-Executive Director and Chair of Audit Committee, Hays plc
- CFO, Wandisco plc
- CFO, The Sage Group plc
- Price Waterhouse

Rita Clifton
Senior Independent Director

Appointed to the Board
May 2016

Independent
Yes

Meetings attended
8/8

Committees
N R A

Key areas of prior experience
Brands, brand strategy, business leadership, global account sales, CPG voice of consumer.

Current external appointments
- Deputy Chair, John Lewis Partnership
- Chair, Forum for the Future
- Trustee, Green Alliance

Previous experience
- Non-Executive Director, Nationwide Building Society
- Non-Executive Director, Asos plc
- Vice Chair and Strategy Director, Saatchi & Saatchi
- CEO and Chair, Interbrand
- NED, Sustainable Development Commission & Trustee and Fellow, WWF

Key to committees
- Committee Chair
- A Audit — page 107
- N Nomination — page 114
- R Remuneration — page 116

Charles Song
Non-Executive Director

Appointed to the Board
October 2020

Independent
Yes

Meetings attended
8/8

Committees
–

Key areas of prior experience
Financial technology, business building, global capital markets, investment banking, commercial banking and corporate finance.

Current external appointments
- Chairman and CEO, Linklogis
- Director and Vice Chairman, Greenlink Digital bank
- Director and Chairman, Olea

Previous experience
- President and CEO, China Resources Bank
- Strategy Adviser, Tencent
- Global Head of Trust Services, HSBC

Judy Vezmar
Non-Executive Director

Appointed to the Board
January 2016

Independent
Yes

Meetings attended
8/8

Committees
R N

Key areas of prior experience
Global portfolio leadership, talent management, remuneration, voice of the consumer, global account management

Current external appointments
- Non-Executive Director and Employee Non-Executive Director, SSP Group plc

Previous experience
- CEO, LexisNexis International
- Executive, Xerox Corporation
- Non-Executive Director, Rightmove plc

Governance framework

How we comply with the UK Corporate Governance Code

The UK Corporate Governance Code 2018 applied to Ascential for the year ending 31 December 2022. This section of the report explains how we have complied with the Code by summarising the provisions of the Code and linking to where we describe how we have complied in more detail.

Section 1: Board Leadership and Company Purpose

A successful company is led by an effective and entrepreneurial board, whose role it is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. (See the Directors' biographies on pages 100 to 101 for more information).

The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture. (See the governance framework on pages 102 to 106 for more information).

In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties. (See the stakeholder engagement section on pages 62 to 69 for more information).

The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. (See the sections on ESG on page 70 and the Whistleblowing section of the Audit Committee Report on page 91 for more information).

Section 2: Division of Responsibilities

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all non-executive directors, and ensures that Directors receive accurate, timely and clear information (See the governance framework on page 103 for more information).

The Board should include an appropriate combination of Executive and Non-Executive (and in particular, Independent Non-Executive) Directors, such that no one individual or small group of individuals dominates the Board's decision-making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the Company's business. (See the governance framework on page 103 for more information).

Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. (See the governance framework on page 105 for more information).

The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. (See the governance framework on page 103 for more information).

Section 3: Composition, Succession and Evaluation

Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. (See the Nomination Committee report on page 114 for more information).

The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. (See the Nomination Committee report on page 114 for more information).

Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. (See the Chairman's introduction to governance on page 96 and the Nomination Committee report on page 114 for more information).

Section 4: Audit, Risk and Internal Control

The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. (See the Audit Committee Report on page 107 for more information).

The Board should present a fair, balanced and understandable assessment of the Company's position and prospects. (See the Audit Committee Report on page 111 for more information).

The Board should establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives. (See the Risk Management section on page 48 for more information).

Section 5: Remuneration

Remuneration policies and practices should be designed to support the strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy. (See the Annual Statement from the Chair of the Remuneration Committee on page 116).

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome. (See the Directors' Remuneration Report on pages 116 for more information).

Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. (See the Remuneration Report on page 116 for more information).

A strong governance framework

Role and operation of the Board

The Board has ultimate responsibility for the overall leadership of Ascential. It oversees the development of a clear strategy, monitors operational and financial performance against agreed goals and objectives, and ensures that appropriate controls and risk systems exist to manage risk.

The Board has agreed a schedule of matters reserved for its decision or approval:

- Strategy, annual budgets and medium-term plans
- Annual and interim results
- Material acquisitions and disposals and contracts
- Establishment of risk appetite, review of principal risks and approval of both
- Ensuring that a sound system of internal control and risk management is maintained
- Changes relating to the Company's capital structure
- Approval of dividend policy
- Changes to Board composition

At the date of this report, the Board comprises ten Directors; the Chairman, the Chief Executive, the Chief Financial Officer; the Chief Operating Officer and six independent Non-Executive Directors. Funke Ighodaro resigned from her position as Independent Non-Executive Director and member of the Audit Committee and Remuneration Committee with effect from 9 September 2022. Paul Harrison resigned from his position as Executive Director and Chief Operating Officer with effect from 31 May 2023.

The biographies and experience of all of our Directors is set out on page 100. With support from the Company Secretary, the Chairman sets the annual Board calendar and Board meeting agendas. He ensures that enough time is devoted, both during formal meetings and throughout the year, to discuss all material matters including strategic, financial, operational, risk, people and governance. The Directors indicated as part of the Board evaluation process that the board materials are relevant, clearly presented and contribute to a constructive debate and strong Board engagement.

In addition to the schedule of formal Board meetings, the Chairman and the Non-Executive Directors meet periodically without the Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present.

Board roles

Chairman

The Chairman provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors. He ensures that there are good information flows from the Executive to the Board, and from the Board to the Company's key stakeholders.

The Chairman leads an annual Board effectiveness review and is responsible for ensuring all new Directors have an appropriate tailored induction programme.

Chief Executive

The Chief Executive has day-to-day responsibility for the effective management of the business and for ensuring that the Board's decisions are implemented. He leads the development of strategy for approval by the Board, as well as working with the Chief Financial Officer to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Executive is responsible for providing regular reports to the Board on all matters of significance, to ensure that the Board has accurate, clear and timely information on all key matters.

Chief Financial Officer

The Chief Financial Officer supports the Chief Executive in developing and implementing strategy, as well as overseeing the financial performance of the Group. She leads the development of the finance function to provide insightful financial analysis that informs key decision making.

The Chief Financial Officer works with the Chief Executive to develop budgets and medium-term plans to deliver the agreed strategy.

The Chief Financial Officer also leads investor relations activities and communication with investors alongside the Chief Executive.

Chief Operating Officer

The Chief Operating Officer works in partnership with the CEO and CFO to develop and implement strategy. He has responsibility for leading and driving continuous improvement through the adoption of key technologies and execution of our technology platforms. The Chief Operating Officer also has responsibility for Product Management, People strategy, Marketing, Diversity & Inclusion, ESG and non-organic growth activities.

Senior Independent Director

The Senior Independent Director acts as an adviser for the Chairman and is available to the other Non-Executive Directors, including acting as an intermediary where necessary. She is also available as an intermediary to shareholders if they have concerns which the normal channels through the Chairman or Chief Executive have failed to resolve or would be inappropriate. She is also the nominated director to engage with the Ascential Employee Forum and report feedback directly to the Board.

Independent Non-Executive Directors

The Non-Executive Directors scrutinise and monitor the performance of management, including the constructive challenge of the Executive Directors. They bring independence and a different perspective to the Board and oversee the integrity of financial information, financial controls and systems of risk management.

Governance structure

Principal Board Committees

Audit Committee
Chaired by
Suzanne Baxter

Roles and responsibilities

- Reviews the Group's financial reporting and recommends to the Board that the Reports and Accounts be approved
- Reviews and reports to the Board on the effectiveness of internal controls
- Assesses the independence and effectiveness of the internal and external auditors.

Audit Committee Report
Page 107

Remuneration Committee
Chaired by Judy Vezmar

Roles and responsibilities

- Sets the Remuneration Policy for the Group
- Sets the individual remuneration of the Executive Directors and senior management
- Engages and consults with shareholders on proposed material changes to Remuneration Policy
- Approves awards under the Group's share-based incentive plans.

Remuneration Committee Report
Page 116

Nomination Committee
Chaired by Scott Forbes

Roles and responsibilities

- Reviews the composition of the Board and its Committees
- Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors
- Reviews Executive Directors and Senior Management succession planning.

Nomination Committee Report
Page 114

Reinforcing a Healthy Culture

Established reporting mechanisms within the corporate governance framework are key to Board oversight of cultural matters, which are underpinned by our beliefs and behaviours: focus, facts, all in, no silos, be creative, transparency, trust & openness, and empathy. Culture is established by leadership and by example but this also needs to be underpinned by clear policies and codes of conduct.

Ethics, Whistleblowing, Fraud, Bribery
There is a full suite of formal compliance and legal policies which all employees are subject to, including Anti-Bribery, Privacy, Data Protection and Sanctions. Employees can report incidents of wrongdoing through both internal and external mechanisms, including an anonymous 'speak up' tool. The Audit Committee monitors and reviews the Company policies, incidents and trends arising from any such incidents and reports its findings to the Board.

Risk Management
Risk management is an integral component of our corporate governance. We have a formal risk management framework to manage risks in accordance with the Board-set risk appetite. The Audit Committee receives regular updates on risk management and the Board reviews the principal and emerging risks for the Group.

Our People's opinions
We hold regular updates to both inform our employees on business progress and answer any questions they may have. We conduct quarterly pulse engagement surveys which helps us understand what people think in real time so we can take appropriate actions in a timely way. We have also established the Ascential Employee Forum which is Chaired by the Senior Independent Director to ensure there is a direct route for employee voice in the Boardroom.

How the Board monitors culture

Aligning remuneration and culture
The Ascential Beliefs and Behaviours are directly incorporated into key people processes such as Performance Appraisal (linked to base salary increases) and Development Review. Both of these processes focus not just on what has been achieved, but how our people act and demonstrate alignment to the Ascential Beliefs.

Measuring our culture
We measure compliance with our key policies and procedures, as well as Health & Safety incidents. Our employee engagement surveys include specific questions that help us measure our culture such as 'Ascential's values provide a good fit with the things I consider important in life' and 'if I experienced serious misconduct at work, I'm confident Ascential would take action to rectify the situation'. We believe that this framework is an important contributing factor to the high scores we have measured in these areas.

Promoting the success of the Company
The Directors are very aware of their duty to promote the success of the Company for the benefit of the members as a whole, having regard to the interests of employees, the impact of the Company's operations on the community and the environment, and maintaining a reputation for high standards of business conduct. The need to balance the interests of sometimes conflicting stakeholders is an inherent part of the Board's decision-making processes. See page 64 for more details on how the interests of different stakeholders are managed.

Company Secretary
The Company Secretary supports the Chairman and is available to all Directors to provide governance advice and assistance. She works with the Chairman and the Chairs of the Board Committees to develop agendas and ensures that the Board receives sufficient, pertinent, timely and clear information. She also ensures compliance with the Board's procedures as well as applicable rules and regulations.

The management and day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance, and the prioritisation and allocation of resources, has been delegated to executive management. Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out.

Board activity during the year
The Board spent its time during the formal meetings held in 2022 on the following activities:

Strategy
- Dedicated offsite meetings to refine strategy, with an emphasis on Intelligence & Events in 2022;
- Approved the 2023 annual budget and, capital allocation policy, and updated medium-term plans in the context of the agreed strategy;
- Approved the acquisition of Sellics and Intrepid; and
- Conducted a strategic review announced in April 2022 which concluded in January 2023 with the approval of the proposal to pursue both a separation of the Digital Commerce assets into an independent, publicly traded company listed in the United States as well as a process for the sale of WGSN.
- In January 2023, approved the restructuring of the investment in Hudson.

For more information on our strategy see page 8.

People
- Received feedback from the Senior Independent Director following Ascential Employee Forum meetings;
- Met with a range of senior management from across the business;
- The Chairman participates as Chairman of the jury for the annual Ascential awards, designed to recognise performance across the organisation and every geography; and
- Received updates from the EVP, People on engagement.

For more information on Our People see page 56.

ESG
- Received updates from the Head of Corporate Responsibility on progress against the Company's ESG priorities and targets.

For more information on our ESG strategy and performance see page 70.

Risk
- Detailed review of Cyber Risk management;
- Reviewed and approved the principal risk register;
- Reviewed the Group's annual insurance programme; and
- Reviewed the effectiveness of internal controls, including receiving a report from the Audit Committee on its work to assess internal control effectiveness.

For more information on risk management see page 48.

Shareholder engagement
- Reviewed reports from the Company's brokers and advisers on shareholder and analyst feedback following results presentations;
- Reviewed the outcome of an investor perceptions assessment facilitated by Rothschild & Co.
- Reviewed regular investor relations reports relating to share price, trading activity and movements in institutional investor shareholdings;
- Received reports from the Executive Directors following meetings with investors; and
- Approved notice of 2022 Annual General Meeting.

For more information on our investor relations programme see page 106.

Performance
- Approved the 2023 budget and refreshed five year plan;
- Monitored operating and financial performance against plans;
- Approved the year end and interim results; and
- Approved the 2021 Annual Report.

For more information on our performance, see the Chief Executive's statement on pages 6 to 7 and the KPIs on page 14.

Board attendance during the year

We expect all Directors to attend the majority of meetings in person except where a meeting is called at short notice. Due to continuing Covid restrictions and travelling complications, Board meetings during the year accommodate Directors when travel is not required or advisable including our Director resident in China attending virtually via video conference, and other non-UK resident Directors depending on the content and duration of meetings. In the unusual circumstances when a Director is unable to attend a meeting, he or she is provided with the same information as the other Directors in advance of the meeting and a meeting is arranged for that director to express their views before the meeting, usually to the Chairman who will share feedback with the other Directors at the meeting.

There were six scheduled meetings during the year plus an additional two meetings which were called to deal with M&A transactions. Directors' attendance at these meetings is set out on page 98.

Induction and development

There were no new Directors during 2022 so there are no specific induction activities to report. There is an agreed induction programme that takes into account any previous experience that a Director may already have and typically includes meetings with senior executives across the Group as well as information on the Group's structure, business segments and operations, and policies to develop each Director's understanding of the Group, its strategy, key risks and challenges.

The Board's forward agenda is designed to include deep-dive reviews on all material aspects of the Group to develop Directors' understanding of the business and ensure they meet with a range of senior management.

Directors' conflicts of interest

The Board has a procedure in place for Directors to declare conflicts of interest and for such conflicts to be considered for authorisation. A Director may be required to leave a Board meeting if a matter upon which a conflict has been declared is discussed. External appointments or other significant commitments of the Directors require prior approval by the Chairman.

The current external appointments of the Directors are set out on pages 100 and 101.

Internal Control Statement

The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and it receives reports identifying, evaluating and managing significant risks within the business. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against misstatement or loss.

The Board, assisted by the Audit Committee, has carried out a review of the effectiveness of the system of internal controls during the year ended 31 December 2022 and the period up to the date of approval of the consolidated financial statements contained in the Annual Report. As explained in the Audit Committee Chair's report, the businesses acquired in Digital Commerce are typically been in the early phase of their development and therefore display immaturities in their control systems compared to some of the well established business of Ascential. The Audit Committee will retain focus over the planned developments in Digital Commerce during 2023 through oversight of internal control assessment process, internal audit activities and updates on the continued roll out of the new financial system.

The Board considers that none of these matters have a material impact on the Group's overall control framework, as there are compensating management review controls in place.

For more information on the system of internal controls in place please see page 111 of the Audit Committee report.

Investor Relations

In addition to the activities explained on page 68, there is an ongoing investor relations programme of meetings with institutional investors and analysts, and participation in conferences covering a wide range of issues within the constraints of publicly available information including strategy, performance and governance.

Institutional shareholders and analysts have regular contact with the Executive Directors and the Head of Investor Relations. All shareholders are kept informed of significant developments by announcements and other publications on our website ascential.com/investors. There are defined procedures in place to ensure that the requirements of the Market Abuse Regulations are met.

The Board receives regular reports from the Head of Investor Relations, covering movements in the holdings of institutional shareholders and other trading activity. The Board is also provided with current analyst opinions and forecasts, as well as feedback from FTI and from its joint corporate brokers Numis and JP Morgan. This includes direct feedback from investors and analysts on a non-attributed basis. All of the Directors are available to meet with shareholders although contact with the Non-Executive Directors would normally be through the Chairman (Scott Forbes) or the Senior Independent Director (Rita Clifton) in the first instance.

Annual General Meeting ("AGM")

The AGM of the Company will take place at 9am on Thursday 18 May 2023 at 33 Kingsway, LondonWC2B 6UF. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

All proxy votes received in respect of each resolution at the AGM are counted and the balance for and against, and any votes withheld, are indicated. At the meeting itself, voting on all the proposed resolutions is conducted on a poll rather than a show of hands, in line with recommended best practice.

All Directors will be in attendance at the AGM and available to answer shareholders' questions. The Notice of the AGM can be found in a separate booklet which is posted to shareholders at the same time as this report and is also available on the Ascential website. The Notice of AGM sets out the business of the meeting and an explanatory note on all resolutions. Separate resolutions are proposed in respect of each substantive issue. Results of resolutions proposed at the AGM will be published on the Ascential website after the meeting.

UK Corporate Governance Code Compliance Statement

We have complied with all principles and provisions of the 2018 UK Corporate Governance Code ("the Code") throughout the financial year ended 31 December 2022.

This Corporate Governance Statement and the cross-referenced reports within set out our approach to applying the Code.

Louise Meads
Company Secretary

3 April 2023

Report of the Audit Committee

Suzanne Baxter
Chair of the Audit Committee

"The Committee provides an important role in the Company's corporate governance framework, providing independent challenge, review and oversight of its reporting and control environment."

Dear Shareholder,

As Chair of the Audit Committee, I am pleased to present the report of the Committee for the year ended 31 December 2022. This report outlines how the Committee has continued to support the Board in fulfilling its corporate governance responsibilities, including those in the key areas of financial reporting, external audit, internal audit, internal control and risk management and the preparation and compliance of the Company's Annual Report and Accounts.

During the year, the Committee continued to review the development of the control environment within the Company and has had a particular focus on that in the developing Digital Commerce business, where a number of acquisitions have been made in recent years. The businesses acquired have typically been in the early phase of their development and therefore display immaturities in their control systems compared to some of the well established business of Ascential. The Digital Commerce business has seen the commencement of the roll out of SAP S/4Hana and the formalisation of a number of key areas of financial control. We welcome this progress but recognise that the exercise remains ongoing. We will retain our focus over the planned developments in Digital Commerce during 2023 through our oversight of internal control assessment processes, internal audit activities and updates on the continued roll out of the new financial system. Further insight is also being gained as the result of enhanced audit procedures being undertaken in the Digital Commerce business as part of the Company's strategic review.

The Committee's core duties comprise:

- the oversight of the Company's financial and narrative reporting processes, including consideration of the annual and half-yearly reports and assessment of the Company's accounting policies and whether its annual report is fair, balanced and understandable;
- consideration and monitoring of the effectiveness of the Company's internal controls and risk management systems;
- oversight of procedures to assure Compliance, to report instances of whistleblowing and to detect fraud;
- monitoring and assessing the effectiveness of the internal audit function;
- oversight and approval of the engagement of the external auditor, and evaluation of the quality and effectiveness of its work; and
- consideration of the audit work being undertaken in the Digital Commerce business under Public Company Accounting Oversight Board (United States) ("PCAOB") requirements to the extent it has an impact on KPMG's work on the ISA (UK) audit of the Group, the fees payable to KPMG and on the firm's independence.

The Committee's terms of reference were reviewed and approved by the Board during the year and are available on the Company's website ascential.com/investors/governance.

Committee membership
All current members of the Committee are independent Non-Executive Directors who bring a wide knowledge and significant business experience in financial reporting, risk management, internal control and strategic management. Funke Ighodaro was a member of the Committee until 9 September 2022 when she

stepped down from the Board and Rita Clifton joined the Committee at that point. The Committee thanks Funke for her contributions during her tenure. The Board considers that the Committee members as a whole have competence relevant to Ascential's business. Funke Ighodaro and I fulfilled the requirement to bring recent and relevant financial experience to the Committee during 2021 and 2022, and I continue to fulfil that requirement going forward. You can read more about the experience of the Committee members in their biographies on pages 100 and 101.

Meetings held in 2022

All Committee members were present at the ten meetings held in 2022, with the exception of Funke Ighodaro who was unable to attend the meeting held on 24 August 2022 which was called at late notice to approve a response letter to the Financial Reporting Council. The Committee has met four times since 31 December 2022 and all Committee members attended those meetings. At the invitation of the Committee, the Chief Financial Officer, Chief Executive Officer, Chief Operating Officer and senior representatives of the finance and management teams also attend meetings, as do representatives of both internal and external audit. The Committee holds regular meetings with the external auditor and the Head of Internal Audit without management present, and these discussions assist in ensuring that reporting, and risk management processes are subject to rigorous review throughout the year. The Committee also meets with management without the external auditor present when discussing external auditor effectiveness.

Role of the Committee in the strategic review

The Committee received independent advice during the year to clarify its role in relation to the potential separation and listing of Digital Commerce. In accordance with this advice, the Committee has performed an active oversight role with respect to the appointment of KPMG as auditor of Digital Commerce for the purpose of auditing financial statements under PCAOB standards, as well as approving associated fees and considering any impact on KPMG's independence (see page 112 for more detail on how the Committee manages the external auditor).

Risk management

The principal and emerging risks facing the Company are robustly assessed by the Board as a whole. More detail on these risks and the risk management framework is set out on page 48. The ongoing monitoring and effectiveness review of the Company's risk management and internal control systems are described on page 111. The assessment of risk and the review of the risk management systems feeds into the process for assessing the longer-term viability of the Group, which is described further on page 49.

Evaluation of Committee performance

The Committee conducts an annual evaluation of its performance as part of the wider Board effectiveness review. The review of performance in 2022 was conducted externally and confirmed that the Committee is working effectively. More detail on the evaluation process can be found in the Corporate Governance Report on page 115.

Key areas of focus for the Committee in 2022

The key focus areas for the Committee are set out below and reflect its planned and recurring activities and areas of specific focus during the year.

A. Financial reporting

- Received and considered reports from management on the key estimates and judgements made in the half-yearly report and in the annual consolidated financial statements. The Committee challenged the assumptions made, discussed alternative treatments, reviewed proposed disclosures, and considered the opinion and work performed by the external auditor and other professional advisors.
- Reviewed and challenged managements' forecasts, stress tests and assumptions in support of the use of the going concern basis for preparation of the Annual Report and Accounts and half-yearly report.
- Reviewed the quality of accounting policies and disclosure rules and considered if those were applied consistently during the reporting and comparative periods.
- Reviewed and challenged management on the use of Alternative Performance Measures ("APMs") including the inclusion of share based payment charges as an Adjusting item, having regard to the European Securities and Markets Authority's Guidelines on APMs and thematic reports issued by the Financial Reporting Council ("FRC"). The Committee also considered KPMG reporting on this matter.
- Reviewed the integrity of the Company's Annual Report and Accounts and half-yearly report and advised the Board whether, in the Committee's view, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess Ascential's position and performance, business model and strategy.
- Recommended to the Board the Company's viability statement included in the Annual Report.

B. Internal audit

- Approved the internal audit function's remit and the annual internal audit plan focusing on the recently acquired Digital Commerce brands to ensure alignment with the Company's principal risks.
- Reviewed the significant matters arising from internal audits with the Head of Internal Audit and assessed management's response to significant internal audit findings and notable control observations. This includes discussing with management potential improvements and agreed actions.
- Assessed internal audit's performance and effectiveness.

C. Risk management and Internal control

- Reviewed the effectiveness of the systems of internal control and risk management, including the integration of those controls into recently acquired businesses.
- Recommended to the Board the disclosures included in the Group's Annual Report in relation to internal control and risk management.
- Received progress updates on the implementation of the Group's finance transformation plan of enhancing the control and reporting environment through the replacement of its existing suite of financial accounting systems with a new ERP system.

D. Compliance and governance

- Received an update from the Director of Compliance setting out compliance priorities for 2022 and discussing the progress made embedding the Compliance Framework, Speak Up Tool and The Ascential Code into the Company during 2022.
- Considered the Company's correspondence with the FRC.
- Reviewed the Group's reporting on climate change including compliance with the updated TCFD disclosure requirements and guidance, and receipt of the auditor's observations on climate change reporting. The Committee noted the improved disclosures on climate change in the 2022 annual report and the Group's commitment to continue to enhance focus in this area.
- Reviewed the Committee's terms of reference and its annual schedule of work.

E. External audit

- Reviewed and monitored the qualifications, expertise, resources, independence and objectivity of the external auditor.
- Reviewed the plans and received the reports of the external auditor at the half year and year end.
- Considered the annual external audit plan and approved related remuneration, including fees for audit and non-audit services. This includes requesting further information on changes to the audit fee to ensure the external auditor is fairly remunerated.
- Considered the impact of the strategic review on work undertaken by the auditor.
- Held private meetings with the Company's external auditor without the presence of management.
- Assessed the performance and effectiveness of the external auditor and the audit process, including an assessment of the quality of the audit.
- Recommended to the Board that resolutions to reappoint the external auditor and for the Board to determine the external auditor's remuneration be put to shareholders for approval at the next Annual General Meeting.

This year, additional focus was applied in the following areas:

- Reviewed a paper from management on the prior year adjustment made to the Company's 2021 financial statements to correct errors in two intercompany transactions. The Committee asked management to review the financial reporting controls around intercompany processes and noted that it is included in the internal audit plan for 2023.
- Considered letters received from the FRC and the Company's response letters which related to the Company's investment in Hudson. and the assessment whether the Group has control or significant influence over the investment.
- Received and considered a report on billing processes in one of the Group's newly acquired businesses and reviewed management's course of action to rectify issues and strengthen controls. These actions have been implemented.
- Discussed the prioritisation of internal audit resources and considered the integration of recently acquired businesses into the control framework.
- Considered the impact of the introduction of International Standard of Auditing ('ISA') (UK) 315 (revised) applicable for the first time in 2022.

Significant financial judgements and estimates considered by the Committee in 2022

Following its review, the Audit Committee was satisfied with how each of the areas below was addressed. As part of this assessment, the Committee received reports, requested and received clarifications from management and sought assurance and received input from the external auditor.

The key reporting judgements considered by the Committee and discussed with the external auditor during the year were:

Issue	Committee's activity and outcome
Initial recognition of goodwill and intangible assets in business combinations	Acquired businesses give rise to material assets and liabilities at the point of acquisition that are based on estimates and judgements about future performance. The provisional recognition of goodwill, intangible assets, other assets and liabilities and estimates of the fair value of consideration transferred are based on a number of assumptions. The valuations of the acquired intangibles have been prepared by external valuation specialists using the available forecasts of the future financial performance and other information (including customer attrition rates) from the acquired businesses. Due to this, there is a significant amount of uncertainty in these inputs and the judgements applied are reviewed by management, including the appropriateness of the inputs and outcomes. Where information is not available, due to the proximity of the acquisition date to the balance sheet date, management applied judgement in estimating the provisional value of acquired intangibles based on accumulated knowledge of prior acquisitions. Often, significant elements of consideration are deferred, contingent on future performance, and may be subject to other conditions such as continued employment of key management personnel. Estimation uncertainty is involved in both assessing the relevant forecast and selecting the appropriate discount rates. The Committee reviewed the acquisition accounting calculations and underlying estimates and assumptions for Sellics and Intrepid acquired during the year and updates made to provisional fair valuation of intangible assets acquired in the preceding reporting period for reasonableness.

Significant financial judgements and estimates considered by the Committee in 2022 continued

Issue	Committee's activity and outcome
Carrying value of goodwill and acquired intangible assets	The Committee reviewed the carrying value of goodwill and other intangible assets for impairment, including a detailed review of the assumptions underlying the "value in use" calculations for businesses identified as cash generating units ("CGU") and the identification of those CGUs. The key assumptions underlying the calculations are primarily the achievability of the long-term business plan including anticipated revenue growth rates, CGU specific discount rates, and long-term growth assumptions. For further information, please see Note 16 of the consolidated financial statements on pages 179 and 181. The Committee challenged management's analysis valuation methodology and underlying assumptions and considered the merits of alternative treatments as well as receiving and considering the report of KPMG on these matters. Following this review and challenge at the half year and full year ends, the Committee was satisfied that £31.4m and £25.6m of intangible assets in Edge and ASR respectively were impaired. The Committee also reviewed the clarity and adequacy of the impairment disclosure.
Initial recognition of goodwill and intangible assets in business combinations	The Committee considered the judgements made, the advice taken by management in reaching their conclusions and the proposed disclosures. After challenging management on their judgements and methodology and receiving a report from the auditor, the Committee was satisfied with the position adopted.
Recognition and valuation of deferred contingent consideration	Where an acquisition agreement provides for an adjustment to the consideration, contingent on future performance over the contractual earn-out period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred contingent consideration is discounted at an appropriate discount rate and carried at fair value in the consolidated balance sheet. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement. Acquisition-related employment costs are contingent on future performance of the acquired business against the contractually agreed performance targets over the earn-out period they are also dependent on the continued employment of the founders over the contractual earn-out period. Consequently, they are treated as a remuneration expense in the consolidated income statement. The estimation of this liability requires the Group to assess the future performance of related business over the deferred contingent consideration period where the estimation uncertainty risk of payments greater than one year is higher due to the forecast nature of the inputs. In respect of acquisitions, the Committee reviewed and challenged the calculations in respect of deferred contingent consideration and acquisition-related contingent employment costs in light of changes in forecast performance. It also received a report from KPMG on this matter. The Committee reviewed the proposed changes to the fair value of the deferred contingent consideration which is based on a Board approved five-year plan and concluded that it is satisfied with its valuation and recognition in the consolidated financial statements.
Recognition and measurement of associates	The Committee reviewed the accounting judgements associated with the Group's investment in Hudson including the assessment of whether the Group has control under IFRS 10 "Consolidated Financial Statements" or significant influence over the investment under IAS 28 "Investments in Associates and Joint Ventures", which is considered a critical accounting judgement. The Committee reviewed management's technical accounting assessment throughout the reporting period, reviewed accounting advice from a Big Four accounting firm and consulted the Group's external auditors to corroborate and test management's assessment. Consideration has been given to determining whether the nature of the relationship, rights under the terms of the preference and common stock investments, restructuring of the Group's shareholding after the reporting date or other factors would indicate that Ascential has control over the Hudson business. Management has considered the requirements under IFRS 10 and has concluded that, although the Group has exposure to the variable returns from the investment, it does not have actual or potential rights to demonstrate power over Hudson and therefore it does not meet the definition of control as at 31 December 2022. Management has further considered the requirements of IAS28 and concluded that the Group does have significant influence over the Hudson business. As part of its review, the Committee considered and reviewed the clarification questions raised by the FRC in respect of accounting for Hudson, the Company's detailed response to those questions and the changes in the Company's investment in and relationship with Hudson both during the year and subsequent to the year end. The Committee also reviewed the assessment of the valuation of the investment in Hudson. The Committee challenged management's papers and considered the merits of alternative treatments as well as receiving a report from KPMG on this matter. The Committee concluded that it was satisfied with the accounting treatment and judgements applied.

Financial Reporting Council

During the year, the Company received a letter from the FRC with a request for information principally relating to the judgements made in assessing whether the Group has control or significant influence over Hudson. Following explanations and further details provided by the Company to the FRC, the FRC closed its inquiry. No restatement of the financial statements was required as the result of the FRC's enquiry. The Company has enhanced certain disclosures made in the financial statements in response to the points raised in the FRC's letter.

The FRC's review provides no assurance that the 2021 Ascential plc Annual Report and Accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The FRC letters are written on the basis that the FRC (which includes the FRC's officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

Viability Statement

The Committee reviewed the process undertaken and conclusions reached to support the Company's Viability Statement which can be found in full on page 49.

Our review included:

- challenging management on whether the three-year time period adopted remained appropriate and aligned with the long-term forecasting of the Group;
- challenging whether management's assessment of the principal and emerging risks facing the Group and their potential impact was appropriate;
- considering whether there were any additional risks which could impair solvency or which, whilst not necessarily principal risks in themselves, could become severe if they occur in conjunction with other risks;
- considering the likelihood of the risks occurring in the time period selected and the impact severity in the event that they did occur;
- challenging management as to the appropriateness of the assumptions used in stress testing and modelling scenarios;
- reviewing the disclosure to ensure it was sufficiently fulsome and transparent.

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2022 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the Company's position and prospects, business model and strategy. In performing this review, the Committee received a report from management and considered if it meets the requirements of 2018 UK Corporate Governance code including the following considerations:

- Is the Annual Report open and honest with the whole story being presented?
- Have any sensitive areas been omitted that are material?
- Is there consistency between different sections of the Annual Report, including between the narrative and the financial statements, and does the reader get the same message from reading the two sections independently?
- Is there a clear explanation of key performance indicators and their linkage to strategy?
- Is there a clear and cohesive framework for the Annual Report with key messages drawn out and written in accessible language?
- Is there an appropriate balance between the use of statutory accounting measures and the use of APMs, and are APMs clearly explained?

Following this review, and the incorporation of the Committee's comments, we were pleased to advise the Board that, in our view, the Annual Report is fair, balanced and understandable in accordance with the requirements of the UK Corporate Governance Code.

Internal controls

The Board, with the assistance of the Audit Committee, regularly monitors and reviews the policies and procedures making up the Group's internal control and risk management system. To support this monitoring, the Audit Committee reviewed reports from senior management, Internal Audit and KPMG.

The major components of the internal controls systems include:

- clearly defined operational structure, accountabilities and authority limits;
- detailed operational planning and forecasting;
- thorough monitoring of performance and changes in outlook; and
- established risk management processes.

Specific matters considered in relation to controls effectiveness included:

- controls self-assessment process and findings;
- internal audit reports;
- regular compliance reports;
- review of tax risks and compliance issues;
- review of treasury controls;
- review of tax controls;
- the Corporate Criminal Offences risk assessment;
- review of integration of acquisitions;
- key developments in IT controls;
- monitoring of the Finance Transformation programme;
- fraud, ethical issues and whistleblowing occurrence;
- health & safety governance; and
- management of legal claims.

A formal control self-assessment process was in place throughout the year in relation to financial controls. This process describes each control objective, the controls required to meet the objective, the frequency of operating the control and the evidence to be retained by management to demonstrate the control exists. Management teams across the Group self-assess and provide formal sign-off of their compliance with this framework twice a year and the results are reviewed in detail by Internal Audit.

Progress towards completion of actions identified to improve internal control is regularly monitored by management and the Audit Committee, who provide assurance to the Board.

In acquiring a number of small, young and developing businesses it is acknowledged that work needs to be done post acquisition to bring the systems of control up to the standards required of a listed company. The Committee are supportive of the steps being taken by management to address this as part of the integration of new businesses into the Group and will continue to monitor progress in this area, including through the planned implementation of new financial systems over the coming year. The internal audit programme for 2022 has included a focus on this and the plan will continue to do so in 2023. The Board concluded that the Group's control environment is adequate, noting that further work was required and planned in the newly acquired businesses to mature their financial processes and controls over time.

External audit

The Committee is responsible for ensuring that the external auditor provides an effective source of assurance for the Group's financial reporting and controls, including that the necessary independence and objectivity is maintained. It is also responsible for recommending the appointment, reappointment or removal of the external auditor, and agreeing the external audit fees.

The proposed audit fee for the year ended 31 December 2022 was debated between the Committee Chair, the CFO and the KPMG audit partner, before being presented to the Committee.

The total fee paid to the Auditor in 2022 increased from £1.3m to £4.5m:

	2022 (£m)	2021 (£m)
Audit of consolidated financial statements	1.3	1.0
Audit of the Group's subsidiaries – other	0.2	0.2
Audit-related assurance services**	0.2	0.1
Audit of the Group's subsidiaries – Digital Commerce separation*	2.8	-
Total	4.5	1.3

* Fees include costs for the PCAOB audit of the standalone USGAAP Digital Commerce business for 2020 (£0.2m), 2021 (£1.5m) and 2022 (£1.1m).

** Audit-related assurance services relate to the review of the half-year interim statements £0.1m (2021: £0.1m) and Digital Commerce separation-related other costs £0.1m (2021: £nil).

The work to support the separation of Digital Commerce is classified as audit work and approval to engage KPMG for this purpose was sought and obtained from the Committee after due consideration of matters of independence. The Committee was satisfied that KPMG's appointment did not compromise their independence with respect to their appointment as the external auditor to Ascential plc. The Committee has also been consulted on, and approved, potential future non-audit in 2023 work linked with the proposed transactions that is expected to arise as a result of the strategic review after due consideration of the scope of work to be performed and of the 70% permissible non-audit fee cap applicable to public interest entities.

The Group last undertook a formal tender of external audit services in 2019 after which KPMG were reappointed for a second term. Christopher Hearn was appointed as Senior Statutory Auditor with effect from the 2022 audit onwards. KPMG attends each scheduled meeting of the Committee and presents their reports on our half-year and full-year financial results, as well as their planning reports in advance of each audit. The Committee met with KPMG without management present at each physical Committee meeting held during the year. These sessions provide an opportunity for open dialogue and the Committee typically discusses KPMG's relationship with executive management and particular audit risks identified. The Committee Chair also met regularly with the Audit Partner on a one to one basis. The Committee also meets with management without KPMG present to discuss their view of KPMG's effectiveness and quality of work delivered.

As part of the Committee's work to manage the external auditor relationship, and the annual effectiveness review, the Committee considers whether there are adequate safeguards to protect auditor objectivity and independence. In conducting our annual assessment, the Committee considers feedback from the Chief Financial Officer, the level and nature of non-audit fees accruing to the external auditor, fees in respect of KPMG's PCAOB audit work, KPMG's formal letter of independence, and the length and tenure of the external auditor and of the audit engagement partner. The Committee concluded that the external auditor remained independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

The Committee has approved a formal non-audit services policy to mitigate any risks threatening, or appearing to threaten, the external audit firm's independence and objectivity arising through the provision of non-audit services.

The non-audit services policy sets out which services are permitted, subject to relevant approvals, and which services are prohibited and cannot be provided by the external auditor. Permitted non-audit services include services required by law or regulation, or where it is probable that an objective, reasonable and informed third party would conclude that the auditor's understanding of the Group is relevant to the service, and the nature of the service would not compromise independence.

Permitted non-audit services must be pre-approved subject to the following limits:

Value of non-audit services	Approval required prior to engagement of the external auditor
Up to £25,000	EVP, Group Finance or Chief Financial Officer
£25,001 – £50,000	Chair of the Audit Committee
Above £50,000	The Audit Committee

When reviewing requests for permitted non-audit services, the person approving the engagement will assess:

- Whether the provision of such services impairs the auditor's independence or objectivity and any safeguards in place to eliminate or reduce such threats;
- The nature of the non-audit services;
- Whether the skills and experience make the auditor the most suitable supplier of the non-audit services;
- The fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee; and
- The criteria which govern the compensation of the individuals performing the audit.

A breakdown of total audit and non-audit fees paid to KPMG during 2022 is set out in Note 5 to the financial statements. These non-audit services were pre-approved in accordance with the non-audit services policy.

Internal Audit

A formal Internal Audit function was in place during the year, utilising a co-sourcing arrangement supported by EY as the Group's externally appointed service partner. The purpose of the Internal Audit function is to consider whether the system of internal control is adequately designed and operating effectively to respond to the Group's principal risks, and to provide independent objective assurance to senior management and to the Board through the Audit Committee. Internal Audit accomplishes its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. In order to provide a greater level of independence for Internal Audit, its personnel as well as the co-sourced party report to the General Counsel, who also acts as Director of Internal Audit and is accountable to the Committee in respect of that role. The General Counsel is invited to attend all Audit Committee meetings and also meet independently with the Chair of the Audit Committee.

The Committee approves the annual Internal Audit Plan and receives a report on Internal Audit activity and progress against that Plan. It monitors the status of internal audit recommendations and management's responsiveness to their implementation. It also challenges management where appropriate to provide us with assurance that the Group's control environment is robust and effective.

Compliance Framework

Ascential has in place a group-wide compliance framework which facilitates a structured and consistent approach to managing compliance across the group. The Director of Compliance reports formally to the Committee on this compliance framework at least annually. The framework is structured upon key areas of compliance with appropriate policies governing each area.

In 2021, the Ascential Code of Conduct ("the Ascential Code") and a new whistleblowing 'Speak Up' service were launched. The Ascential Code is core to the group-wide compliance framework as it encourages all colleagues to operate in the context of ethics and compliance, empowers employees to thoughtfully handle any ethical dilemmas they may encounter, and provides contact points and other resources related to compliance. Employees are required to undertake a mandatory training module on the Ascential Code to embed knowledge and understanding of the Code as well as to track engagement.

The Speak Up tool enables anonymous disclosures, where this is permitted by local laws. The tool also serves as an effective business intelligence tool allowing the tracking, allocation and investigation of cases and incidents effectively and consistently. The Speak Up process also provides a confidential third-party helpline should employees prefer to speak to someone rather than use the online tool.

The Committee receives reports on the Ascential code, speak up tool and on any whistleblowing incidents that are reported during the year. Any significant issues relating to potential fraud would be escalated to me as the Audit Committee Chair immediately.

I will be available at the Company's AGM to answer any questions on the work of the Committee.

Suzanne Baxter
Chair of the Audit Committee

3 April 2023

Report of the Nomination Committee

Scott Forbes
Chair of the Nomination Committee

"The role of the Nomination Committee is primarily to keep the structure, size and composition of the Board and Committees under review with the primary objective of matching the skills, knowledge and experience of Directors to our business strategy and requirements."

Dear Shareholder,

I am pleased to introduce the Report of the Nomination Committee for 2022.

The role of the Nomination Committee is primarily to plan and review the structure, size and composition of the Board, Board Committees and the organisation. The primary objective relating to Board and Committees is to match the skills, knowledge and experience of current and future Directors to our business strategy and requirements as the business evolves.

The Nomination Committee evaluates the organisation to determine whether resources are appropriate for achieving the business's strategic goals and that succession plans are satisfactory for short term changes and for the long-term.

Board composition and effectiveness

During the year, the Board undertook an externally facilitated Board Strategy review to consider how well the composition of the Board matched the Company's business strategy, both currently and also its future strategic direction. The outcome of that review is that the Board is well-aligned to, and broadly representative of, the composition and strategic requirements of the business as the business exists today. You can see more detail on our Directors' capabilities and experience on pages 100 and 101.

A key consideration for the Board during 2023 will be to optimise Board composition for the Company post the potential demerger of its Digital Commerce assets and potential sale of WGSN. As announced in January 2023, subject to shareholder approval and the successful execution of the proposed transactions, the intended Board for Digital Commerce will comprise myself as Chair, and Duncan Painter as Chief Executive. The Ascential plc Board will be chaired by Rita Clifton, currently the Senior Independent Director, and Philip Thomas, currently CEO of Ascential Intelligence and Events, will serve as CEO of the Company. Mandy Gradden will remain in her role as CFO. The Committee and Board concluded that this allocation of Directors' talents and experience best match the potential future Digital Commerce and Ascential businesses.

The remaining Board composition will be further reviewed by the Committee during 2023 to ensure that each Board will be structured to ensure that the skills and competencies of its Directors align to its strategy, operational agenda and governance requirements of each company.

As part of this process, the Committee will be mindful of the need for an orderly sequence of rotation for the Non-Executive Directors who joined the Board on the Company's IPO in 2016.

Succession planning

A succession planning exercise for the senior leadership team is undertaken annually to consider each individual's potential and ability to grow, as well as development plans to maximise an individual's ability to be ready for promotion. Emergency and planned succession options for the Executive Directors and the members of the Senior Leadership Team are also reviewed and approved.

Board appointments policy

The Committee has been, and will continue to be, vigilant about its responsibility to ensure that members of the Board should collectively possess the broad range of skills, expertise and industry knowledge, and business and other experience, necessary for the effective oversight of the Group. The Committee takes account of a number of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience, knowledge and diversity.

It will continue to be the Board's policy to engage an independent search consultant to assist with the identification of suitable candidates based on a comprehensive role description and candidate attributes brief. Shortlisted candidates will then meet with members of the Board on a one-to-one basis before the Committee makes its recommendation of the preferred candidate to the Board.

Non-Executive Director appointments to the Board are for an initial term of up to three years. Non-Executive Directors are typically expected to serve two three-year terms, although the Board may invite the Director to serve for an additional period on the recommendation of the Committee. Non-Executive Directors are appointed under formal appointment letters which are available for inspection at the registered office of the Company during normal business hours and at the AGM.

External Directorships

The Committee keeps under review the number of external directorships held by each Director and performance evaluation is used to assess whether the Non-Executive Directors are spending enough time to fulfil their duties. Any external appointments or other significant commitments of the Directors require the prior approval of the Chairman, or, in the case of the Chairman, the Senior Independent Director. The Chairman takes into account investors' published voting policies on the number of board mandates considered appropriate for directors when considering directors' proposed appointment to additional boards.

The Board and Committee noted that shareholders expressed some concern that there was a potential for the number of external directorships of Funke Ighodaro and Gillian Kent to negatively impact their capacity for discharging their duties to Ascential, resulting in the support for their re-election at the 2022 AGM was below 85% of proxy votes received. The Committee has reviewed Gillian's board commitments and observed her continued perfect Board and Committee meeting attendance for the past year and several years prior. The Committee is confident that Gillian has sufficient time to continue to meet all her duties and responsibilities as a director and all meeting date obligations. Funke retired from the Board in September 2022 and the evaluation of her other directorships became moot.

Board effectiveness

The policy on Board effectiveness reviews is that an externally led evaluation of the Board, Committees and individual Directors will be conducted every third year. In line with that policy, Korn Ferry was engaged to facilitate the Board and Committee performance evaluation for 2022. Korn Ferry conducted individual interviews with each of the Directors and provided a summary report to the Board, including anonymised verbatim feedback.

The Board was characterised by Directors as possessing a positive culture which was open, engaged and collegiate. The Board was considered to be diverse and capable, with the competencies and behaviours necessary to fulfil its duties, governance and oversight roles. Directors also felt that the Board operated as a good forum for open dialogue and enabling of appropriate challenge. The Committee structure was felt to be appropriate and working effectively. Board materials were reported to be sufficiently thorough and focussed and presentations from divisional leaders during the year had helped to broaden the Non-Executive Directors' understanding of the business's operations. Overall, the conclusion of the evaluation was that Ascential has a highly effective Board.

Confirmation of Independence

In accordance with the UK Corporate Governance Code, the Committee is chaired by the Board Chairman, Scott Forbes, and the other members of the Committee are Rita Clifton and Judy Vezmar, both independent Non-Executive Directors.

Scott Forbes
Chair of the Nomination Committee

3 April 2023

Report of the Remuneration Committee

Judy Vezmar
Chair of the Remuneration Committee

> "We are proud of the entire team for delivering excellent results and growth this year. Our focus in rewarding this performance continued to be through clear and simple remuneration plans."

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the year ended 31 December 2022.

What does this report include?

In addition to my annual statement as Chair of the Remuneration Committee, this report contains:

- The Directors Remuneration Policy which will be proposed for approval by shareholders at the 2023 AGM and;
- The Annual Report on Remuneration, which sets out payments made to the Directors for the year ended 31 December 2022 and how our Remuneration Policy is intended to be implemented in 2023.

This annual statement and the annual report on remuneration (set out on pages 126 to 132) will be subject to an advisory vote at the 2023 AGM.

Business performance

We saw strong trading in 2022, with all four business segments producing record revenues with overall Organic revenue growth of 30% and Adjusted EBITDA growth of 23%. These excellent results were driven by the continued expansion of our end markets combined with the strong return of our live events.

For more information on the Company's performance, priorities and outlook please see the Chief Executive's statement on pages 6 and 7.

2022 Committee highlights

Directors Remuneration Policy
The Directors' Remuneration Policy in place during 2022 was approved at the 2020 AGM and in accordance with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, we are seeking shareholder approval to roll over this policy at the 2023 AGM.

In light of the conclusions of the strategic review announced in January 2023, the Committee considers it appropriate to keep the previously approved Policy in place for 2023, ahead of a comprehensive review of remuneration policy for the Group once the proposed transactions of disposing of WGSN and the demerger of Digital Commerce have been completed. The Policy continues to be well aligned with current corporate governance best practice expectations. Full details of the policy are set out on pages 118 to 125.

I hope to receive your support in approving the proposed Directors' Remuneration Policy at the Annual General Meeting on 18 May 2023.

Remuneration Outcomes
With regards to remuneration outcomes for 2022, our Proforma revenue growth of 29% and Proforma Adjusted EBITDA growth of 15% from 2021 resulted in bonus achievement of 91% of target, or 46% of maximum, in respect of 2022 performance. The Committee considers this outcome to be appropriate in the context of the business performance and bonus outcome for the wider employee population and no discretion was therefore applied to the bonus outcome.

With regards to our 2020 LTIP, the PSP grant was delayed from the normal grant time of March until October in response to the uncertainty presented by Covid and the consequent challenges with establishing appropriate performance conditions. The performance period for that award therefore runs until October 2023 and the vesting outcome will be reported in the 2023 annual report.

Reward structure within Digital Commerce
In light of the increasingly competitive recruitment environment for our experienced and specialised people within our digital commerce business, external benchmarking was conducted and adjustments were made to aid retention of key leadership talent. For completeness, this did not impact our Executive Directors.

Targeted Financial support
This year we felt it was important to recognise the financial pressure that some of our employees may have felt by the increase to the cost of living. As such, we provided an exceptional cost of living increase for employees in high inflation markets in May 2022. Additionally, we provided energy grants and energy loans to our people in the UK and some parts of Europe, which were available to our people earning below a set income threshold.

The key activities of the Committee during the year are summarised on page 126.

Implementation of Remuneration Policy in 2023

Our usual practice is to review Executive Directors' salaries with effect from 1 April each year. With our UK salary budget set at 4.5 % of salary, the Committee awarded salary increases of 3.5% of salary to the CEO and CFO. In light of the announcement on 25 January 2023 that the COO intends to leave the Company as a result of his role effectively being made redundant following the proposed disposal of WGSN and the demerger of Digital Commerce assets, no salary increase was awarded to the COO.

With regard to the 2023 annual bonus, this will operate as in prior years with a maximum of 125% of salary earned based on performance against a challenging range of revenue and Adjusted EBITDA targets. 50% of any bonus earned will be the subject of deferral into Ascential shares for a period of three years.

The 2023 Performance Share Plan will also operate as in prior years, with awards granted up to 200% of salary to the CEO and CFO, vesting subject to challenging Adjusted EPS and Digital Revenue Growth targets. The COO will not receive a 2023 award.

The Non-executive Director fees, including additional fees, were reviewed during the year and have been increased to better align with the current time commitments of the roles. Full details are included on page 132.

With regards to the impact of the proposed transactions following the Board's strategic review on remuneration, the Committee considers it important to operate the current Directors' Remuneration Policy on its existing terms during 2023, with a view to retaining and incentivising our key talent during a period of uncertainty. The Committee continues to work through the potential consequences of the transactions on pay and intends to treat all awards in line with the Directors' Remuneration Policy.

Committee composition, skills and experience

Gillian Kent and Rita Clifton remained in their positions as Committee members throughout the year. Funke Ighodaro ceased her membership of the Committee upon her resignation from the Board in September 2022. The Committee has solely comprised Independent Non-Executive Directors throughout the year, in compliance with the UK Corporate Governance Code.

Role of the Committee

The Committee's primary role is to determine the remuneration of the Executive Directors and the Senior Leadership Team and to determine the Remuneration Policy for the Executive Directors, as well as monitoring its ongoing appropriateness and relevance.

The key responsibilities of the Committee are summarised on page 118 of the Corporate Governance Report and further details on the Committee's roles and responsibilities can be found in our Terms of Reference on our website ascential.com.

The Committee met four times during 2022. All members of the Committee attended all meetings and, by invitation, were joined by the EVP, People and other members of the senior management team where it was deemed appropriate. The Committee continued to receive independent external advice from Korn Ferry.

I am satisfied that the Committee received information on a timely basis and that the meetings were scheduled adequately to enable members to have an informed discussion and debate.

Committee effectiveness

The Committee's effectiveness was included in the review of Board effectiveness in November 2022, which confirmed that the Committee has operated effectively throughout 2022.

Conclusion

I look forward to receiving your support at our 2023 AGM, where I will be available to respond to any questions shareholders may have on this report, the proposed Remuneration Policy or in relation to any of the Committee's activities.

Judy Vezmar
Chair of the Remuneration Committee

3 April 2023

Directors' remuneration policy

Proposed for approval by shareholders at the 2023 AGM

This part of the Remuneration Report sets out Ascential's Remuneration Policy for its Executive and Non-Executive Directors. The policy was developed considering the principles of the 2018 UK Corporate Governance Code and guidelines from major investors.

What is the role of the Remuneration Committee?

The Remuneration Committee ("the Committee") has responsibility for determining the overall pay policy for Ascential. In particular, the Committee is responsible for:

- determining the framework or broad policy for the fair remuneration of Ascential's Executive Directors and Chairman, and certain other senior management including the direct reports of the Chief Executive Officer;
- approving their remuneration packages and service contracts, giving due regard to the UK Corporate Governance Code as well as the Financial Conduct Authority's rules and associated guidance;
- ensuring that the Remuneration Policy is adequate and appropriate to attract, motivate and retain personnel of high calibre and provides, in a fair and responsible manner, reward for their individual contributions;
- reviewing the ongoing appropriateness and relevance of the Remuneration Policy, overseeing any major changes in remuneration and employee benefits structures throughout Ascential;
- consulting with shareholders and their advisory bodies in advance of significant changes to Remuneration Policy;
- approving the design of, and determining targets for, performance-related pay schemes operated by Ascential and approving the total annual payments made under such schemes; and
- reviewing the design of all share incentive plans for approval by the Board and shareholders. For any such plans, the Committee determines each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to Executive Directors and other senior management, and the performance targets to be used.

Policy Overview

When setting the policy for Directors' remuneration, the Committee takes into account the overall business strategy and risk tolerance, considering the long-term interest of the Company with a view to adequately attracting, retaining and rewarding skilled individuals and delivering rewards to shareholders. Consistent with these principles, the Committee has agreed a Remuneration Policy which will:

- provide a simple remuneration structure which is easily understood by all stakeholders;
- attract, retain and motivate executives and senior management in order to deliver the Company's strategic goals and business outputs;
- promote the long-term success of the business;
- provide an appropriate balance between fixed and performance-related, and immediate and deferred remuneration to support a high-performance culture;
- adhere to the principles of good corporate governance and best practice;
- align executives with the interests of shareholders and other external stakeholders; and
- consider the wider pay environment, both internally and externally.

Furthermore, the Committee is satisfied that the Remuneration Policy and its application takes due account of the six factors listed in the UK Corporate Governance Code:

- Clarity – our policy is well understood by our management team and has been clearly articulated to our shareholders. A key part of our EVP, People's role is engaging with our wider employee base on all our "People Matters" (including remuneration) and we monitor the effectiveness of this process through the feedback received.
- Simplicity – the Committee is very mindful of the need to avoid overly complex remuneration structures which can be misunderstood and/or deliver unintended outcomes. Therefore, one of the Committee's objectives is to ensure that our executive remuneration policies and practices are as simple to communicate and operate as possible, while also supporting our strategy.
- Risk – our Remuneration Policy is designed to ensure that inappropriate risk-taking is not encouraged and will not be rewarded via (i) the balanced use of both short- and long-term incentive plans and (ii) malus/clawback provisions.
- Predictability – our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The scenario charts on page 122 illustrate how the rewards potentially receivable by our Executive Directors vary based on performance delivered and share price growth.

- Proportionality – there is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by the value of reward through equity with post-employment holding requirements, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.
- Alignment to culture – Ascential has a relentless focus on delivering for our customers and this is fully aligned with our Remuneration Policy in that employee personal success is directly linked to the Ascential Beliefs and Behaviours through the short-term incentive plans and targets we operate. This is especially the case at the most senior levels within our business.

How are wider employment conditions considered?

The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for the Executive Directors. With effect from 1 April 2022, the salary increases awarded to the Executive Directors were in line with the average wage increase for all UK employees at 2.5%.

The Company operates UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in the Company's shares. A formal employee consultation on remuneration is not operated; however, employees are able to provide feedback on the Company's remuneration policies to their managers or the People Team informally, as well as through the employee engagement survey and formal performance review process.

The Ascential Employee Forum was established in 2020 and continued to provide an additional channel for consulting with employees on issues affecting them, including Remuneration Policy. Fixed ratios between the total remuneration levels of different roles in Ascential are not applied, as this may prevent us from recruiting and retaining the necessary talent in competitive employment markets. We do operate a formal job banding framework, which helps to ensure that remuneration is appropriate and consistent across the organisation.

The Executive Directors' Remuneration Policy (as set out on pages 118 to 125) reflects differences compared to the broader employee base that are appropriate to leadership to ensure alignment with shareholder interests. A greater weight is placed on performance-based pay through the quantum and participation levels in incentive schemes.

What changes are we making to the Directors' Remuneration Policy?

In the context of the conclusions of the strategic review announced in January 2023, the Committee considers it appropriate to keep the previously approved Policy in place for 2023, ahead of a comprehensive review of remuneration policy for the Group once the proposed transactions of disposing of WGSN and the demerger of Digital Commerce assets have been completed. As a result, no changes are being made to the current policy.

Are the views of shareholders considered?

The Committee values and is committed to dialogue with shareholders. We will continue to carefully consider any shareholder feedback received in relation to the AGM this year and in future. As with the Directors' Remuneration Policy proposed for approval at the 2023 AGM, the Committee will continue to engage proactively with shareholders and ensure that shareholders are consulted in advance where any material changes to the Directors' Remuneration Policy are proposed.

What are the elements of Executive Directors' Pay?

Element	Purpose and link to strategy	Operation	Opportunity
Base Salary	Provides a competitive and appropriate level of basic fixed pay appropriate to recruit, retain and reward Directors of a suitable calibre to deliver the Company's strategic goals and business outputs. Reflects an individual's experience, performance and responsibilities within Ascential.	Set at a level which provides a fair reward for the role and which is competitive amongst relevant peers. Normally reviewed annually with any changes taking effect from 1 April each year. Set taking into consideration individual and Company performance, the responsibilities and accountabilities of each role, the experience of each individual, his or her marketability and Ascential's key dependencies on the individual. Reference is also made to salary levels amongst relevant peers and other companies of equivalent size and complexity. The Committee considers the impact of any base salary increase on the total remuneration package.	Increases will normally be in line with the general increase for the broader employee population, considering factors such as performance of the Company and external factors such as inflation. More significant increases than standard may be awarded from time to time to recognise, for example, development in role and change in position or responsibility, as are also considered for the wider workforce for the same reasons. Current salary levels are disclosed in the Annual Report on Remuneration.
Benefits	Provides market competitive and appropriate benefits package.	Benefits provided may include private medical insurance, life assurance and income protection insurance. The benefits provided may be subject to minor amendment from time to time by the Committee within this policy. In addition, Executive Directors are eligible for other benefits which are introduced for the wider workforce on broadly similar terms. The Company may reimburse any reasonable business-related expenses incurred in connection with their role (including tax thereon if these are determined to be taxable benefits).	There is no overall maximum level of benefits provided to Executive Directors, and the level of some of these benefits is not pre-determined but may vary from year to year based on the overall cost to the Company. However, the Committee monitors annually the overall cost of the benefits provided to ensure that it remains appropriate.
Pension	Provides a competitive and appropriate pension package.	Each Executive Director has the right to participate in the pension scheme operated by the Company either via a contribution into the Company's defined contribution plan, or via an alternative cash allowance.	Pension contributions and/or cash allowances are set at 9% of base salary for Executive Directors appointed prior to 2020 taking into account their service in post and the approach to pensions applied to the wider UK workforce. For Executive Directors who joined after the 2020 policy was approved, the Company contribution will align with the pension provision to the wider UK workforce with executives eligible to receive a maximum Company contribution to a pension scheme or a cash payment on the following scale: 5% of salary: less than 5 years' service; 7% of salary: less than 10 years' service; and 9% of salary: greater than 10 years' service.
All-employee share plans	Encourages employee share ownership and therefore increases alignment with shareholders.	Ascential may from time to time operate tax-approved share plans (such as HMRC approved Save As You Earn Option Plan and Share Incentive Plan) for which Executive Directors could be eligible.	The schemes are subject to the limits set by HMRC or appropriate tax authority from time to time.

Element	Purpose and link to strategy	Operation	Opportunity
Annual bonus	Incentivises the execution of key annual goals by rewarding performance against targets aligned to delivery of strategy. Compulsory deferral of a portion of bonus into Ascential shares provides alignment with shareholders.	Paid annually, bonuses will be subject to achievement of stretching financial performance measures. The Committee also has discretion to introduce non-financial and/or strategic measures in future years. It is intended, however, that financial measures will determine the majority of the annual bonus opportunity. 50% of the bonus will normally be deferred into awards over shares under the Deferred Annual Bonus Plan ("DABP"), with awards normally vesting after a three-year period. Executive Directors have the flexibility to voluntarily elect to defer up to 100% of any bonus earned into shares for three years. Recovery and withholding provisions are in operation across the annual bonus and the DABP in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant. The Committee has discretion to adjust bonus outcomes having had regard to overall corporate performance.	The maximum bonus payable to Executive Directors is 125% of base salary with 50% of maximum payable for on-target performance (62.5% of salary). 0% of salary is paid for threshold performance. Dividends may accrue on DABP awards over the vesting period and be paid out either as cash or as shares on vesting.
Performance Share Plan ("PSP")	Rewards the achievement of sustained long-term performance that is aligned with shareholder interest. Facilitates share ownership to provide further alignment with shareholders.	Annual awards of performance shares that normally vest after three years subject to performance conditions and continued service. Performance is normally tested over a period of at least three financial years. For the awards to be granted in 2022, awards will be subject to targets based on growth in Adjusted EPS and Digital Commerce Business Unit revenue. Different performance measures and/or weightings may be applied for future awards as appropriate. At least 50% of future awards will be subject to financial measures which will normally be a profit measure. The Committee will consult in advance with major shareholders prior to any significant changes being made. Following vesting, a further two-year holding period will apply to the awards whereby Executive Directors will be restricted from selling the net-of-tax shares which vest. Recovery and withholding provisions operate in certain circumstances, including where there has been a misstatement of accounts, an error in assessing any applicable performance conditions, or in the event of misconduct on the part of the participant. These provisions apply for at least three years from the date on which an award vests.	The normal maximum opportunity is 200% of base salary. In exceptional circumstances this may be increased to 250% of salary. Subject to the Remuneration Committee's discretion to amend formulaic outputs, for achievement of the threshold level of performance (the minimum level of performance for vesting to occur), up to 25% of the maximum opportunity will vest for each element, rising on a graduated scale up to 100% of each element vesting for achieving the maximum level of performance. Dividends may accrue on PSP awards over the vesting period and be paid out either as cash or as shares on vesting in respect of the number of shares that have vested.
Shareholding guideline	Encourages Executive Directors to build a meaningful shareholding in Ascential so as to further align interests with shareholders.	Each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. If an Executive Director does not meet the guideline, they will be expected to retain at least half of the net shares vesting under the Company's discretionary share-based employee incentive schemes until the guideline is met.	Not applicable
Post-employment share ownership requirements	Ensures there is an appropriate amount of 'tail risk' for executive post cessation of employment.	Executives leaving employment as good leavers (e.g. due to retirement) will continue to hold share awards until the later of their original vesting date or the conclusion of a holding period on the vested shares. Deferred share bonus awards and PSP awards will only be eligible to vest at the normal vesting date (i.e. three years from grant and subject to performance in the case of the PSP) and vested PSP shares subject to a holding period will remain subject to the holding period (i.e. vesting and release will not be brought forward from year 5 to year 3). An exceptional circumstances provision will apply so that these provisions could be overridden (e.g. in the event of death). Bad leavers' share awards will lapse on cessation of employment.	Not applicable

What discretion does the Committee retain in operating the incentive plans?

The Committee operates Ascential's various incentive plans according to their respective rules. To ensure the efficient operation and administration of these plans, the Committee retains discretion in relation to a number of areas. Consistent with market practice, these include (but are not limited to) the following:

- Selecting the participants;
- The timing of grant and/or payments;
- The size of grants and/or payments (within the limits set out in the policy table above);
- The extent of vesting based on the assessment of performance;
- Determination of good leaver and, where relevant, the extent of vesting in the case of the share-based plans;
- Treatment in exceptional circumstances such as change of control, in which the Committee would act in the best interests of Ascential and its shareholders;
- Making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividend);
- Cash settling awards; and
- The annual review of performance measures, weightings and setting targets for the discretionary incentive plans from year to year.

Any performance conditions may be amended or substituted if one or more events occur which cause the Committee to reasonably consider that the performance condition would not without alteration achieve its original purpose. Any varied performance condition would not be materially less difficult to satisfy in the circumstances.

How does the Committee choose performance measures and set targets?

The performance metrics used for the annual bonus plan and PSP have been selected to reflect Ascential's key performance indicators.

The annual bonus is based on performance against a stretching combination of financial measures, with the flexibility to include non-financial performance measures if considered to be appropriate. The financial measures are set taking account of Ascential's key operational objectives but will typically include a measure of profitability such as EBITDA (which is also closely correlated with the generation of cash) and/or revenue (which reflects the Company's growth focus) as these are key performance indicators. In 2023, the annual bonus will be measured on revenue (50%) and profit (50%) targets.

The performance conditions for the PSP will be weighted towards financial performance and include metrics weighted towards long-term value creation (e.g. a combination of Adjusted EPS and revenue performance for the Digital Commerce Business Unit). Digital Commerce Business Unit revenue has been selected as an appropriate metric as growth in its revenue remains a key long-term strategic priority.

A sliding scale of challenging performance targets is set for both of these measures and further details of the targets applied are set out in the Annual Report on Remuneration.

The Committee will review the choice of performance measures and the appropriateness of the performance targets prior to each PSP grant.

Different performance measures and/or weightings may be applied for future awards as appropriate. However, the Committee will consult in advance with major shareholders prior to any significant changes being made.

What about pre-existing arrangements?

In approving this Directors' Remuneration Policy, authority is given to the Remuneration Committee to honour any commitments entered into with current Directors that pre-date the approval of the policy. Details of any payments to current or former Directors will be set out in the Annual Report on Remuneration if and when they arise.

How does the executive pay policy differ from that for other Ascential employees?

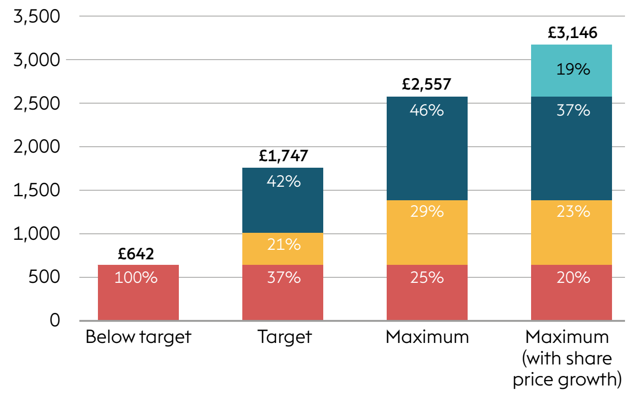
The Remuneration Committee considers the Executive Directors' remuneration in the context of the wider employee population. All of the Company's employees have the opportunity to participate in share-based rewards such as SAYE, and the wider leadership team of the Company participate in annual bonus arrangements. The Remuneration Policy for the Executive Directors is more heavily weighted towards variable pay than for other employees, to make a greater part of their pay conditional on the successful delivery of business strategy. This aims to create a clear link between the value created for shareholders and the remuneration received by the Executive Directors.

How much could an Executive Director earn under the Remuneration Policy?

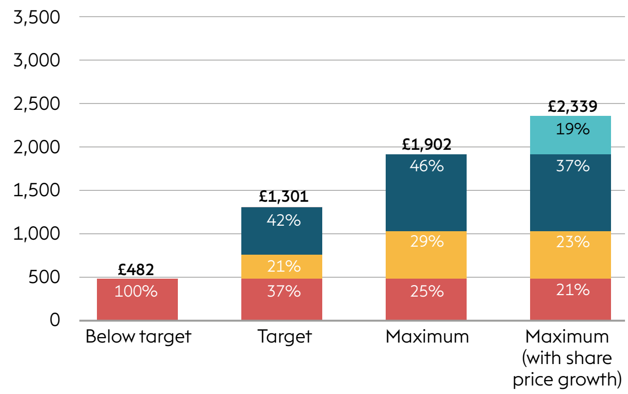
A significant proportion of total remuneration is linked to Company performance, particularly at maximum performance levels.

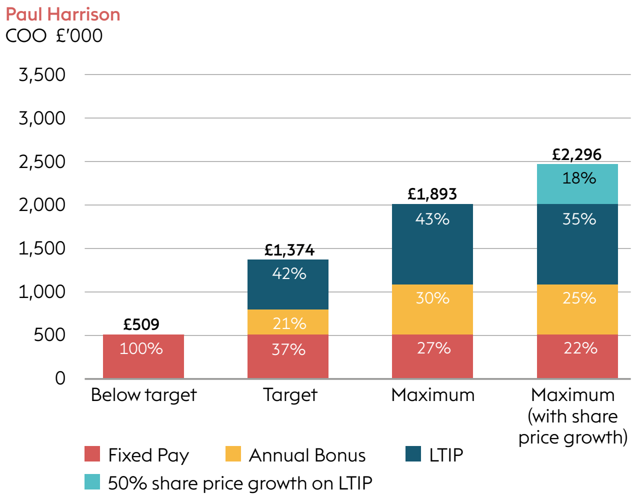
The chart below illustrates how the Executive Directors' potential reward opportunity varies under three different performance scenarios: fixed pay only, on-target and at maximum. Illustrations are intended to provide further information to shareholders regarding the pay for performance relationship. Actual pay delivered will be influenced by changes in share price and the vesting levels of awards.

Duncan Painter
CEO £'000



Mandy Gradden
CFO £'000





The Executive Directors can participate in all-employee share schemes on the same basis as other employees. The value that may be received under these schemes is subject to tax-approved limits. For simplicity, the value that may be received from participating in these schemes has been excluded from the above charts.

What would a new Executive Director be paid?

The ongoing remuneration package for a new Executive Director would be set in accordance with the terms of Ascential's shareholder-approved Remuneration Policy at the time of appointment and the maximum limits set out therein. It is the Remuneration Committee's policy that no ongoing special arrangements will be made, and in the event that any deviation from standard policy is required to recruit a new hire on an ongoing basis, approval would be sought at the Annual General Meeting.

Base salary levels will be set in accordance with Ascential's Remuneration Policy, taking into account the experience and calibre of the individual. Salaries may be set at a below-market level initially with a view to increasing them to the market rate subject to individual performance and developing into the role by making phased above-inflation increases.

Benefits will be provided in line with those offered to the other Executive Directors, taking account of local market practice.

What would the ongoing incentive arrangements be for a newly appointed Executive Director?

Currently, for an Executive Director, annual bonus payments will not exceed 125% of base salary and PSP awards would not normally exceed 200% of base salary (not including any arrangements to replace forfeited entitlements).

Where necessary, specific annual bonus and PSP targets and different vesting and/or holding periods may be used for an individual for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which they joined the Board. A PSP award can be made shortly following an appointment (assuming the Company is not in a close period).

What payments could a newly appointed Executive Director receive beyond the policy?

The Committee retains flexibility to offer additional cash and/or share-based awards on appointment to take account of remuneration or benefit arrangements forfeited by an Executive on leaving their previous employer. If shares are used, such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

Such payments would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the values foregone and the time over which they would have vested or been paid. Awards may be made in cash if the Company is in a prohibited period at the time an Executive joins the Company.

The Committee may also agree that the Company will meet certain relocation, legal, tax equalisation and any other incidental expenses as appropriate so as to enable the recruitment of the best people including those who would need to relocate.

What about an internal appointment?

In the case of an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its terms, and adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue. Where a temporary internal promotion occurs, base salary may be subject to an adjustment to better reflect the temporary role or an additional allowance may be payable to reflect the additional responsibilities for the period they operate.

Are the Executive Directors allowed to hold external appointments?

Executive Directors are permitted to accept external appointments with the prior approval of the Board and where there is no impact on their role with Ascential. The Board will determine on a case-by-case basis whether the Executive Directors will be permitted to retain any fees arising from such appointments.

What are the Executive Directors' terms of employment? What are their notice periods?

The Executive Directors have entered into service agreements with an indefinite term that may be terminated by either party on 12 months' written notice. Contracts for new appointments will be terminable by either party on a maximum of 12 months' written notice.

What payments will an Executive Director receive when they leave the Company?

An Executive Director's service contract may be terminated summarily without notice and without any further payment or compensation, except for sums accrued up to the date of termination, if they are deemed to be guilty of gross misconduct or for any other material breach of the obligations under their employment contract.

The Company may suspend the Executive Directors or put them on a period of garden leave during which they will be entitled to salary, benefits and pension only.

If the employment of an Executive Director is terminated in other circumstances, compensation may include base salary due for any unexpired notice period, pro-rata bonus (normally based on performance assessed after the year end), and any amount assessed by the Committee as representing the value of other contractual benefits which would have been received during the period. The Company may choose to continue providing some benefits instead of paying a cash sum, representing their cost. The cash element of any annual bonus paid to a departing Executive Director would normally be paid at the normal payment date, and reduced pro rata to reflect the actual period worked.

Any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the Committee, reimbursement for tax or legal advice and provision of outplacement services) would be paid as necessary.

Executive Directors' service contracts are available for inspection at Ascential's registered office during normal business hours and will be available for inspection at the AGM.

How are outstanding share awards treated when an Executive Director leaves Ascential?

Any share-based entitlements granted to an Executive Director under Ascential's share plans will be treated in accordance with the relevant plan rules. Usually, any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, disability, retirement with the consent of the Committee, the sale of the entity that employs him/her out of Ascential or any other circumstances at the discretion of the Committee, "good leaver" status may be applied.

For good leavers under the PSP, outstanding awards will normally vest at the original vesting date to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date on which the participant ceases to be employed by the Company. The Committee retains the discretion to vest awards (and measure performance accordingly) on cessation and/or to disapply time pro-rating. However, it is envisaged that this would only be applied in exceptional circumstances in line with the Company "post cessation of employment share ownership guideline". For good leavers under the DABP, unvested awards will vest at the original vesting date unless the Committee exercises its discretion and allows the award to vest in full on, or shortly following, the date of cessation. However, in line with the Company "post cessation of employment share ownership guideline" it is envisaged this would only be applied in exceptional circumstances.

In determining whether a departing Executive Director should be treated as a "good leaver", the Committee will take into account the performance of the individual and the reasons for their departure.

What happens to their outstanding share awards if there is a takeover or other corporate event?

Outstanding awards on a takeover or winding up of the Company will vest early to the extent that the performance condition has been satisfied, and would normally be reduced on a pro-rata basis to reflect the period of time which has elapsed between the grant date and the date of the takeover or other corporate event, although the Committee would retain discretion to waive time pro-rating of an award if it regards it as appropriate to do so in the particular circumstances.

In the event of a demerger, special dividend or other event which, in the opinion of the Committee, may affect the current or future value of shares, the Committee may decide that awards will vest on a basis which would apply in the case of takeover. In the event of an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the Committee decides that awards should vest on a basis which would apply in the case of a takeover.

How are the Non-Executive Directors paid?

Element	Purpose and link to strategy	Operation	Opportunity
Non-Executive Director fees	To attract and retain a high-calibre Chairman and Non-Executive Directors by offering market competitive fee levels.	The Company Chairman is paid an annual fee. The Non-Executives (including the Senior Independent Director) are paid a basic fee, with the Chairs of the main Board Committees, the Senior Independent Director and the Non-Executive Director designated as the employee representative, being paid additional fees to reflect the extra responsibilities and time commitments. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. The level of fees is reviewed periodically by the Committee and CEO for the Company Chairman, and by the Company Chairman and Executive Directors for the Non-Executive Directors, and is set taking into consideration market levels in comparably sized FTSE companies, the time commitment and responsibilities of the role and to reflect the experience and expertise required. The Company Chairman and the Non-Executive Directors are not eligible to participate in incentive arrangements or to receive benefits save that they are entitled to reimbursement of reasonable business expenses and any tax thereon.	The fees are subject to maximum aggregate limits as set out in the Company's Articles of Association (£2,000,000). The Committee is guided by the general increase for the broader employee population, but on occasions may need to recognise, for example, changes in responsibility, and/or time commitments. Current fee levels are disclosed in the Annual Report on Remuneration.

What would a new Chairman or Non-Executive Director be paid?

For a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

What are the terms of appointment for the Chairman and Non-Executive Directors?

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years (save for the Chairman who is appointed for a nine-year term), subject to annual re-election by the Company at a general meeting.

The appointment of each Chairman and Non-Executive Director may be terminated by either party with three months' notice. The appointment of each may also be terminated at any time if they are removed as a Director by resolution at a general meeting or pursuant to the Articles, provided that in such circumstances the Company will (except where the removal is by reason of their misconduct) pay the Chairman or Non-Executive an amount in lieu of their fees for the unexpired portion of his or their notice period.

Directors' letters of appointment are available for inspection at the registered office of Ascential during normal business hours and will be available for inspection at the AGM.

Dates of Directors' service contracts/letters of appointment

	Date of service contract / appointment	Unexpired term of contract at 31 December 2022
Executive Directors		
Duncan Painter	4 January 2016	Rolling contract
Mandy Gradden	4 January 2016	Rolling contract
Paul Harrison	11 January 2021	Rolling contract
Non-Executive Directors		
Scott Forbes	11 January 2016	n/a
Suzanne Baxter	5 January 2021	n/a
Rita Clifton	12 May 2016	n/a
Joanne Harris	1 April 2021	n/a
Funke Ighodaro	5 January 2021	n/a
Gillian Kent	21 January 2016	n/a
Charles Song	1 October 2020	n/a
Judy Vezmar	21 January 2016	n/a

Annual report on remuneration

Subject to an advisory vote at the 2023 AGM

This report has been prepared in accordance with the provisions of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). This report has also been prepared in line with the recommendations of the 2018 UK Corporate Governance Code.

This part of the Directors' Remuneration Report sets out a summary of how the Directors' Remuneration Policy was applied during 2022. The policy in place for the year was approved by shareholders at the 2020 AGM. This Annual Report on Remuneration will be subject to an advisory vote at the 2023 AGM. Various disclosures in this report about the Directors' remuneration have been audited by Ascential's independent auditor, KPMG LLP. Where information has been audited, this has been clearly indicated.

What is the composition of the Remuneration Committee?

The Committee is made up of independent Non-Executive Directors and there is cross-membership with the Audit Committee, whose remit includes review of risk management, to ensure that there is alignment between the Group's key risks and its Remuneration Policy. Regular attendees include the external remuneration adviser, Chief Executive, Chief Operating Officer, EVP, People and the VP, Reward. No attendee is present when their own individual remuneration is being discussed.

Committee attendance during the year

The Committee held four formal meetings during the year, and additionally met informally several times to discuss any matters arising. All members attended all meetings.

Key activities of the Committee

The Committee's key activities during the 2022 financial year were:

- discussion and conclusion of proposals to present the existing Directors' Remuneration Policy for approval by shareholders at the 2023 AGM;
- reviewing base salaries for Executive Directors and senior management;
- reviewing and approving a revised bonus plan for key talent within the Digital Commerce division;
- approving the bonus outturn for Executive Directors and senior management;
- setting bonus targets for Executive Directors and approving them for senior management;
- approving awards under the Company's share plans, including associated performance conditions; and
- approving this Remuneration Committee Report.

Total remuneration for the financial year to 31 December 2022 (Audited)

The following table reports the total remuneration receivable in respect of qualifying services by each Director for the year ended 31 December 2022.

£'000		Salary & fees	Taxable benefits[1]	Pension[2]	Total Fixed Pay	Annual Bonus[3]	Long-Term Incentive[4]	Other[5]	Total Variable Pay	Total Remuneration
Executive										
Duncan Painter	2022	566	9	51	626	322	–	–	322	948
	2021	554	11	43	608	693	–	–	693	1,301
Mandy Gradden	2022	420	5	38	463	239	–	–	239	702
	2021	411	5	32	448	514	–	–	514	962
Paul Harrison	2022	459	6	23	488	261	–	-	261	749
	2021	440	7	16	463	563	–	1,305	1,868	2,331
Non-Executive										
Scott Forbes	2022	220	–	–	220	–	–	–	–	220
	2021	220	–	–	220	–	–	–	–	220
Rita Clifton	2022	65	–	–	65	–	–	–	–	65
	2021	65	–	–	65	–	–	–	–	65
Gillian Kent	2022	55	–	–	55	–	–	–	–	55
	2021	55	–	–	55	–	–	–	–	55
Judy Vezmar	2022	65	–	–	65	–	–	–	–	65
	2021	65	–	–	65	–	–	–	–	65
Charles Song[6]	2022	59	–	–	59	–	–	–	–	59
	2021	55	–	–	55	–	–	–	–	55
Suzanne Baxter	2022	65	–	–	65	–	–	–	–	65
	2021	64	–	–	64	–	–	–	–	64
Funke Ighodaro[7]	2022	41	–	–	41	–	–	–	–	41
	2021	54	–	–	54	–	–	–	–	54
Joanne Harris[6]	2022	63	–	–	63	–	–	–	–	63
	2021	42	–	–	42	–	–	–	–	42
Total	**2022**	**2,078**	20	**112**	**2,210**	822		–	821	**3,032**
Total	2021	**2,025**	23	**91**	**2,139**	1,770	–	1,305	3,075	**5,214**

1. Benefits include private medical insurance, life assurance, income protection insurance and use of a company driver.
2. Pension amounts are the cash allowance paid in lieu of pension contributions which are calculated as 9% of salary for the CEO and CFO, and 5% for the COO.
3. Bonus was calculated as a percentage of annual salary received during the year – i.e. pro-rated for salary increase in April each year. Any bonus amounts to be deferred under the Deferred Annual Bonus Plan are shown in the bonus figure for the year in which they were awarded.
4. The PSP granted to Duncan Painter and Mandy Gradden in 2020 were delayed from the normal grant time of March until October in response to the uncertainty presented by Covid and the consequent challenges with establishing appropriate performance conditions. The performance period for the 2020 PSP therefore runs until October 2023. The value (if any) of this award will be included in the 2023 DRR when the vesting outcome is known.
5. As announced in the 2020 Annual Report on Remuneration, 313,336 shares were awarded in 2021 to Paul Harrison pas part of his joining arrangements. The award was not subject to performance conditions as it mirrored the awards forfeited by Paul on leaving his prior employment. The final tranche of 129,159 vested in April 2022 and was not subject to performance conditions, other than continued employment. The 2021 value of this buyout award has been restated to include the market value of the entire award as at the date of grant (£4.16). Duncan Painter and Mandy Gradden were each granted 9,944 shares under the SAYE plan with an option price of £1.81. The value of these awards will be included in the single figure table of remuneration in the year in which they are exercised, if such an exercise takes place.
6. Charles Song and Joanne Harris' fees are paid in local currency (Hong Kong dollar and US dollar respectively). Their fees were fixed in local currency on their appointment and therefore the GBP amount of their fees varies according to movement in the GBP exchange rate.
7. Funke Ighodaro resigned from the Board with effect from 9 September 2022.

The aggregate gain for Mandy Gradden in the year from the exercise of options under the Performance Share Plan was £733,068 based on the market price on the date of exercise of £1.81. The aggregate gain for Mandy Gradden in the year from the exercise of options under the DABP was £67,953 based on the market prices on the dates of exercise of £3.35 and £1.81. The aggregate gain for Duncan Painter in the year from the exercise of options under the DABP was £65,513 based on the market price on the date of exercise of £3.35.

Duncan Painter is also a non-executive director of ITV plc and received fees totalling £70,425 in 2022 (2021: £70,425) from that external appointment. Paul Harrison is a non-executive director of Darktrace plc and received fees totalling US dollar 114,992 in 2022 (2021: £61,875) from that external appointment.

How was the annual bonus payment determined? (Audited)

The bonus targets for the year, performance against these targets, and the resulting payouts are set out below. At the time of setting the targets, the Committee considered the target ranges to provide an appropriate balance between being achievable at the bottom end of the performance ranges and providing a stretch target at the top end of the ranges. The targets were considered similarly demanding to those set for 2021 allowing for changes to the Company's portfolio of businesses. The targets were subject to an appropriate adjustment to reflect material M&A activity during the year (i.e. they were increased to reflect the acquisition-case expected financial performance) with this approach ensuring that the targets were no less challenging than when originally set.

Target	Weighting %	Threshold Required result	Threshold Payout as % of maximum	Target Required result	Target Payout as a % of maximum	Maximum Required result	Maximum Payout as a % of maximum	Actual result	Actual Payout as a % of maximum	Payout as % of target
Revenue (£'m)	50	470.6	0	522.9	50	528.1	100	524.4	64.5	129.0
EBITDA (£'m)	50	114.3	0	127.0	50	130.2	100	121.1	26.7	53.4
Total	**100**								**45.5**	**91.2**

The Committee confirmed that this payout level was appropriate in the overall context of the Company's financial performance in 2022 and in line with payouts at those Business Units which outperformed their targets. In approving bonus awards the Committee noted that the Company delivered strong performance during the year with Organic revenue growth of 30% and Adjusted EBITDA growth of 23%. No discretion to adjust payouts was therefore required. Half of the bonus will be deferred into shares for three years under the Deferred Annual Bonus Plan

What equity awards have been included in the single figure table? (Audited)

The PSP award granted to the Executive Directors in 2020 was delayed from the normal grant time of March until 1 October in response to the uncertainty presented by Covid and the consequent challenges with establishing appropriate performance conditions. The award is subject to relative TSR performance over the period to 30 September 2023. The value of this award (if any) will be included in the 2023 Directors' Remuneration Report when the vesting outcome is known.

What equity awards have been granted during the year? (Audited)

The Executive Directors received the following awards under the Performance Share Plan ("PSP") and the Deferred Annual Bonus Plan during the year.

	Type of award	Number of shares	Face value (£)[1]	Face value as a % of salary	Threshold vesting	End of performance period
Duncan Painter	PSP	329,717	1,110,619	200%	25%	31 December 2024
Duncan Painter	DABP	205,715	692,930	125%	n/a	n/a
Duncan Painter	SAYE	9,944	22,441	n/a	n/a	n/a
Mandy Gradden	PSP	244,545	823,725	200%	25%	31 December 2024
Mandy Gradden	DABP	76,287	256,965	62%	n/a	n/a
Mandy Gradden	SAYE	9,944	22,441	n/a	n/a	n/a
Paul Harrison	PSP	233,790	787,498	175%	25%	31 December 2024
Paul Harrison	DABP	83,496	281,248	62%	n/a	n/a

1 The 2022 PSP and DABP awards were granted as conditional awards. Face value has been calculated using the average closing share price for the five business days immediately preceding the date of grant of the award which was £3.3684. The SAYE awards have an option price of £1.81, which was a 20% discount to the three-day average closing share price market value of £2.26, which has been used to calculate the face value in the above table.

With regard to the 2022 award's performance targets, the Committee agreed that the 2022 awards should be based on EPS (75% weighting) and revenue of the Digital Commerce Business Unit (25% weighting), consistent with the prior year. These metrics reflect feedback during engagement with the Company's investors on appropriate medium to long-term targets to support sustained profitable growth and better alignment with the Board's business strategy objectives of expanding our global leadership as a provider of specialist information, analytics and ecommerce optimisation, with a special focus in digital commerce.

The 2022 PSP awards are therefore subject to the following performance criteria:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100%)	Measurement period
Adjusted EPS growth	75%	16%	29%	1 January 2022 – 31 December 2024
Digital Commerce Business Unit revenue	25%	£273.2m	£318.7m	1 January 2022 – 31 December 2024

Both the EPS and Digital Commerce Revenue targets were set having taken into account our internal planning and external market expectations for future performance as at the date of the award in April 2022. To ensure the EPS target acts as a realistic incentive, it was set and will be tested using constant tax rates in light of the prevailing uncertainties around future corporate tax rates, particularly in the US which has and continues to represent an increasing proportion of Ascential's business. In terms of the degree of stretch in the targets, they were set with a view to striking the right balance between being realistic at the threshold performance levels and stretching at the top end of the range set and, most importantly, aligning with the expected growth through to the end of 2024. The Committee will consider the overall vesting result in the context of broader Company performance on vesting, as well as making any adjustments required to reflect material M&A activity that takes place during the performance period.

To the extent awards vest in April 2025, any shares delivered will be subject to a two-year holding period.

What other interests do the Directors have in Ascential share plans?

The tables below summarise the interests the Executive Directors have in Ascential share plans.

Duncan Painter

Scheme	Interests at 1 Jan 2022	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2022	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	314,693	–	314,693	–	–	29-Mar-19	nil	29-Mar-22	n/a
PSP	381,626	–	–	–	381,626	01-Oct-20	nil	01-Oct-23	n/a
PSP	267,748	–	–	–	267,748	01-Sep-21	nil	01-Sep-24	n/a
PSP	–	329,717	–	–	329,717	06-Apr-22	nil	06-Apr-25	n/a
DABP	19,201	–	–	–	19,201	07-Mar-17	nil	07-Mar-20	06-Mar-27
DABP	19,549	–	–	19,549	–	29-Mar-19	nil	29-Mar-22	n/a
DABP	61,409	–	–	–	61,409	01-Oct-20	nil	01-Oct-223	n/a
DABP	–	205,715	–	–	205,715	06-Apr-22	nil	06-Apr-25	n/a
SAYE	5,921	–	–	–	5,921	26-Sep-19	3.04	01-Nov-22	30-Apr-23
SAYE	–	9,944	–	–	9,944	07-Oct-22	1.81	01-Nov-22	30-Apr-26
Total	**1,070,147**	**545,376**	**314,693**	**19,549**	**1,281,281**				

Mandy Gradden

Scheme	Interests at 1 Jan 2022	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2022	Date of grant	Exercise price (£)	Vesting date	Expiry date
PSP	243,924	–	–	243,924	–	21-Mar-16	nil	21-Mar-19	20-Mar-26
PSP	160,037	–	–	160,037	–	07-Mar-17	nil	07-Mar-20	06-Mar-27
PSP	185,712	–	185,712	–	–	29-Mar-19	nil	29-Mar-22	n/a
PSP	225,229	–	–	–	225,229	01-Oct-20	nil	01-Oct-23	n/a
PSP	198,583	–	–	–	198,583	01-Sep-21	nil	01-Sep-24	n/a
PSP	–	244,545	–	–	244,545	06-Apr-22	nil	06-Apr-25	n/a
DABP	13,099	–	–	13,099	–	07-Mar-17	nil	07-Mar-20	06-Mar-27
DABP	13,184	–	–	13,184	–	29-Mar-19	nil	29-Mar-22	n/a
DABP	20,709	–	–	–	20,709	01-Oct-20	nil	01-Oct-23	n/a
DABP	–	76,287	–	–	76,287	06-Apr-22	nil	06-Apr-25	n/a
SAYE	5,921	–	–	–	5,921	26-Sep-19	3.04	01-Nov-22	30-Apr-23
SAYE	–	9,944	–	–	9,944	06-Apr-22	nil	06-Apr-25	n/a
Total	**1,066,398**	**330,776**	**185,712**	**430,244**	**781,218**				

Paul Harrison

Scheme	Interests at 11 Jan 2022	Granted in year	Lapsed in year	Exercised in year	Interests at 31 Dec 2022	Date of grant	Exercise price (£)	Vesting date	Expiry date
Buy out	129,159	–	–	129,159	–	01-Sep-21	nil	14-Mar-22	n/a
PSP	189,850	–	–	–	189,850	01-Sep-21	nil	01-Sep-24	n/a
PSP	–	233,790	–	–	233,790	06-Apr-22	nil	06-Apr-25	n/a
DABP	–	83,496	–	–	83,496	06-Apr-22	nil	06-Apr-25	n/a
SAYE	5,405	–	–	–	5,405	24-Sep-21	3.33	01-Nov-24	30-Apr-24
Total	**324,414**	**317,286**	–	**129,159**	**512,541**				

The closing share price of Ascential's ordinary shares at 31 December 2022 was 201.60p and the closing price range from 1 January 2022 to 31 December 2022 was 176.20p to 413.40p.

The Executive Directors can participate in the Ascential Save As You Earn scheme on the same terms as those open to the wider workforce. Share options are granted at an option price which is a 20% discount on the share price on the date of offer. Options normally vest following the conclusion of a three-year savings contract and will ordinarily be exercisable for a period of six months after the vesting date.

Ordinary shares required to fulfil entitlements under the PSP, RSP, DABP and SIP may be provided by Ascential's Employee Benefit Trusts ("EBT"). As beneficiaries under the EBT, the Executive Directors are deemed to be interested in the Ordinary Shares held by the EBT which, at 31 December 2022, amounted to 425,521 shares. Assuming that all outstanding awards made under Ascential's share plans vest in full, Ascential has utilised 4.69% of the 10% in ten years and 3.58% of the 5% in five years dilution limits.

What pension payments were made in 2022? (Audited)

The table below provides details of the Executive Directors' pension benefits:

	Cash in lieu of contributions to DC type pension plan (£'000s)
Duncan Painter	51
Mandy Gradden	38
Paul Harrison	23

Each Executive Director has the right to participate in Ascential's defined contribution pension plan or to elect to be paid some or all of their contribution in cash. Pension contributions and/or cash allowances are capped at 9% of salary for the CEO and CFO, and 5% of salary for the COO..

Were there any payments made to past Directors during 2022? (Audited)

There were no payments made to any past Directors during the year.

What are the Directors' shareholdings and is there a guideline? (Audited)

To align the interests of the Executive Directors with shareholders, each Executive Director must build up and maintain a shareholding in Ascential equivalent to 200% of base salary. Until the guideline is met, Executive Directors are required to retain 50% of any share awards that vest (or are exercised) net of tax. Details of the Directors' interests in shares (including those of their connected persons) are shown in the table below:

				PSP[2]	DABP		SAYE[3]	
Director	Beneficially owned at 31 Dec 2022	Beneficially owned at 31 Dec 2021	Shareholder guideline achieved?	Not vested	Not vested	Vested but not exercised	Not vested	Vested but not exercised
Duncan Painter	4,156,685	4,146,352	Yes	979,091	267,124	19,201	9,944	5,921
Mandy Gradden	1,274,962	850,934	Yes	668,357	96,996	–	9,944	5,921
Paul Harrison	174,244	105,973	No[1]	423,640	83,496	–	5,405	–
Scott Forbes	224,203	224,203	n/a	–	–	–	–	–
Suzanne Baxter	5,000	5,000	n/a	–	–	–	–	–
Rita Clifton	–	–	n/a	–	–	–	–	–
Joanne Harris	–	–	n/a	–	–	–	–	–
Judy Vezmar	50,000	50,000	n/a	–	–	–	–	–
Gillian Kent	–	–	n/a	–	–	–	–	–
Charles Song	–	–	n/a	–	–	–	–	–
Total	**5,885,094**	**5,382,462**		**2,071,088**	**447,616**	**19,201**	**25,293**	**11,842**

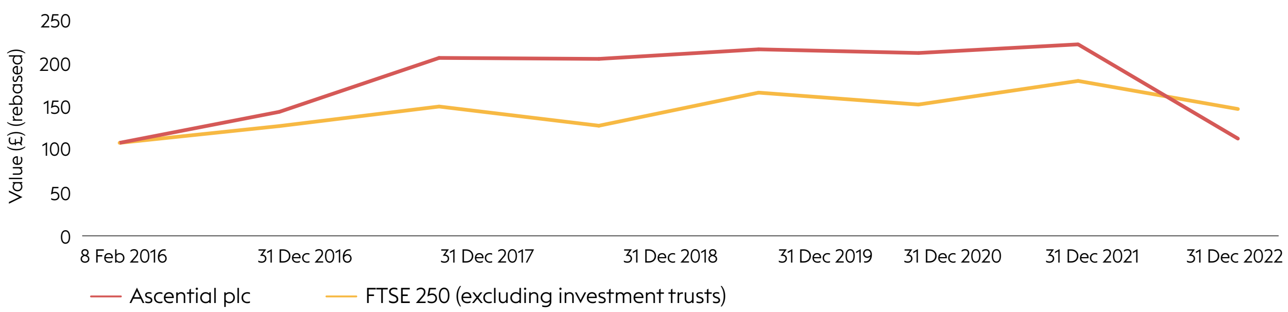
1 Paul Harrison was appointed as COO with effect from 11 January 2021 and was building his shareholding in line with the shareholding guideline.

2. All outstanding PSP awards are subject to performance conditions.

3. Awards under the DABP and SAYE are not subject to performance conditions, other than service-based conditions.

How does the CEO's pay compare to Ascential's performance?

This graph shows a comparison of Ascential's total shareholder return (share price growth plus dividends paid) with that of the FTSE 250 (excluding investment trusts) since Admission. This index has been selected as it comprises companies of a comparable size and provides an indication of Ascential's relative performance.



This graph shows the value, by 31 December 2022, of £100 invested in Ascential plc at the IPO Offer Price on 08 February 2016, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts). Source: Datastream (Refinitiv)

The total remuneration figure for the CEO for each year since IPO is shown below. The total remuneration figure includes the annual bonus in the performance year to which it relates (included any amount deferred into shares).

	2017	2018	2019	2020	2021	**2022**
Total Remuneration (£'000)	856	2,167	1,681	647	1,301	**948**
Annual bonus (% of maximum)	48	20	26	0	100	**46**
Long Term Incentive Plan (% of maximum vesting)	n/a	100	83	12	0	**n/a**

How does the change in Director's pay and benefits compare to that for Ascential employees?

The historic movement in the salary, taxable benefits and annual bonus for the Directors compared to the UK employee average is shown below.

	Average percentage change 2019 - 2020			Average percentage change 2020 - 2021			Average percentage change 2021 - 2022		
	Salary / Fee	Taxable benefits	Annual bonus	Salary / Fee	Taxable benefits	Annual bonus	Salary / Fee	Taxable benefits	Annual bonus
Executive Directors:									
Duncan Painter	(12%)	(30%)	(100%)	1%	42%	nm	2%	2%	(54%)
Mandy Gradden	(10%)	0%	(100%)	3%	0%	nm	2%	1%	(54%)
Paul Harrison	n/a	n/a	n/a	n/a	n/a	n/a	2%	(6%)	(54%)
Non-Executive Directors:									
Scott Forbes	(6%)	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Suzanne Baxter	n/a	n/a	n/a	n/a	n/a	n/a	0%	n/a	n/a
Rita Clifton	(9%)	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Gillian Kent	(10%)	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Joanne Harris[1]	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a	n/a
Paul Harrison	(12%)	n/a	n/a	n/a	n/a	n/a	0%	n/a	n/a
Funke Ighodaro[1]	n/a	n/a	n/a	n/a	n/a	n/a	nm	n/a	n/a
Charles Song[2]	n/a	n/a	n/a	n/a	n/a	n/a	7%	n/a	n/a
Judy Vezmar	(10%)	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
All employees[3]	(5%)	n/a	n/a	3%	nm	n/a	4%	nm	nm

1. Joanne Harris joined the Board on 1 April 2021 and Funke Ighodaro resigned from the Board on 9 September 2022. A comparison of their fees between 2021 and 2022 is therefore not meaningful.

2. Charles Song is paid in Hong Kong dollars and there was no increase in his fee in local currency. The change above reflects FX movement between HKD and GBP.

3. Only senior employees are eligible for an annual bonus and therefor the change in bonus for the average UK employee is not meaningful.

What is the ratio of CEO pay to the average UK employee?

The below table sets out the CEO's total remuneration as a ratio to UK employees' total remuneration on the 25th, 50th and 75th percentile.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
1 January to 31 December 2022	Option A	42	23	14
1 January to 31 December 2021	Option A	64	32	19
1 January to 31 December 2020	Option A	31	18	11
1 January to 31 December 2019	Option A	48	33	22

The salary and total pay of the UK employee on each of the 25th, 50th and 75th percentiles are shown below:

Percentile	Total Salary	Total Pay
25th	21,113	22,665
Median	39,558	41,600
75th	63,500	67,410

We have adopted Method A to calculate the above ratios as it is the most statistically accurate. This means that we have calculated total pay for all UK employees, using the same methodology that is used to calculate the CEO's single figure, using 31 December 2022 as the reference date. The median pay ratio is lower than the prior year due to a lower bonus attainment for the CEO. Underpinning our pay and progression principles is a need to provide a competitive total reward so as to enable the attraction and retention of high calibre individuals without overpaying, and providing the opportunity for individual development and career progression. The pay ratios reflect the changes in individual accountability which is recognised through our pay structures, which include greater variable pay opportunity for more senior positions. This is reflected in the fact that the CEO's variable pay opportunity is higher than those employees noted in the table, reflecting the weighting towards long-term value creation and alignment with shareholder interests inherent in his role. We are satisfied that the median pay ratio is consistent with our wider pay, reward and progression policies for employees. All our employees have the opportunity for annual pay increases, career progression and development opportunities.

How much does Ascential spend on pay and dividends? (Audited)

	2022	2021
Total employee costs	£271.0m	£216.2m
Dividend per ordinary share	0p	0p

What advice did the Committee receive?

Korn Ferry are the appointed advisers to the Remuneration Committee and provide advice and information on market practice, the governance of executive pay and the operation of employee share plans. The total fees paid to Korn Ferry in respect of their services for the 2022 financial year were £62,867 plus VAT. Korn Ferry provides other consulting services to the Board in relation to its recruitment of Non-Executive Directors which is provided by an entirely separate team independent from the team advising the Committee. As a result, the advice to the Committee is therefore considered independent. Korn Ferry are signatories to the Remuneration Consultant's Code of Conduct, which requires that advice to be objective and impartial.

What votes were received in relation to the Directors' Remuneration Policy at the 2020 AGM and the Annual Report on Remuneration at the 2022 AGM?

	Remuneration Policy at the 2020 AGM	%	Annual Report on Remuneration at the 2022 AGM	%
Votes cast in favour	365,711,635	97.1	394,615,525	96.7
Votes cast against	10,790,339	2.9	13,674,479	3.3
Total votes cast	376,501,974		408,290,004	
Abstentions	537,988		13,376	

How will the Directors' Remuneration Policy be used in the 2023 financial year?

Base salary

Our usual practice is to review Executive Directors' salaries with effect from 1 April each year. With our UK salary budget set at 4.5% of salary, the Committee awarded salary increases of 3.5% of salary to the CEO and CFO. In light of the announcement on 25 January 2023 that the COO intends to leave the Company as a result of his role effectively being made redundant following the proposed disposal of WGSN and the demerger of Digital Commerce assets, no salary increase was awarded to the COO. Therefore, the salaries effective from 1 April 2023 are £589,115 for the CEO, £436,936 for the CFO and £461,250 for the COO.

Annual bonus plan

The annual bonus plan will continue to be subject to a maximum of 125% of base salary and measured against stretching financial targets. 50% of the bonus will be based on Adjusted EBITDA and 50% will be based on revenue. Half of any bonus earned will be deferred into shares which vest after a three-year period.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include items which the Committee considers commercially sensitive. An explanation of bonus payouts and performance achieved, along with the targets set, will be provided in next year's Annual Report on Remuneration.

Performance Share Plan

The Committee has not made any changes from the 2021 PSP award policy for 2023. As such, PSP awards have been granted to the CEO and CFO in February 2023 at 200% of salary. Having provided a detailed trading statement in January 2023 and taken legal advice that the Company was in an 'open' period and could therefore make share awards to Executive Directors and wider employees, the awards were granted in advance of what may be a potentially extended closed period arising from the implementation of the conclusions of the Company's strategic review as announced on 25 January 2023.

The performance will again be measured against Adjusted EPS growth for 75% of the award with the remaining 25% against revenue of the Digital Commerce Business Unit. Each element will be assessed independently of the other.

The Adjusted EPS targets that are intended to apply to the 2023 PSP awards have been set following the Committee's review of internal financial planning, external market expectations and current macro-economic conditions. The absolute level of growth required, and the breadth of the targets, is considered appropriate in the context of the current shape of our business, the economic environment and both internal and external expectations for our performance. These targets are considered to be no less challenging to the range of targets set for the 2021 awards, providing a realistic incentive at the lower end of the performance range, but with full vesting requiring exceptional outperformance in the current commercial context.

A summary of the 2023 performance targets is set out below:

Performance criteria	Weighting	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS	75%	16.2p	22.2p	1 January 2023 to 31 December 2025
Digital Commerce Business Unit Revenue	25%	£321.0m	£374.5m	

Vesting between threshold and maximum will be measured on a straight-line basis.

Shares normally vest after a three-year performance period, subject to a further two-year holding period whereby the Executive Directors will be restricted from selling the net-of-tax shares which vest.

Remuneration arrangements for Paul Harrison

As detailed in the Chair's Annual Statement, following the announcement in January that Ascential intends to dispose of WGSN and demerge its Digital Commerce assets, the role of COO will no longer operate in its current form. At the time of announcing the conclusion of the Board's strategic review, the Committee concluded that with the role to effectively become redundant that his remuneration should be treated in line with normal practice in the event of a redundancy. Accordingly, it is the Committee's intention that he will continue to receive his base salary and benefits through to his cessation of employment, be eligible to receive a performance related pro-rata bonus for the part year of employment in 2023 and to be treated as a 'good leaver' for the purposes of his outstanding share awards (i.e. they will vest on their normal vesting dates subject to a pro-rata reduction for time and the application of performance conditions).

What are the current and future Non-Executive Director fees?

The fees of the Chairman and Non-Executive Director were reviewed in January 2023, taking into account both past and future expected time commitment for the roles, and typical fee levels in FTSE 250 companies. The Conclusion of the review was that the fees should be increased to better reflect the increased time commitment of the roles. The Chairman and Non-Executive Directors' fees were last increased in February 2020.

	2023	**2022**	% Change
Board Chairman	235,000	**220,000**	7
Basic fee	58,000	**55,000**	5
Additional fee for Senior Independent Director	10,000	**10,000**	0
Additional fee for Audit Committee Chair	20,000	**10,000**	100
Additional fee for Remuneration Committee Chair	20,000	**10,000**	100

Directors' Report

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report may be found in the following sections:

Information	Section in Annual Report	Page
Business model	Strategic Report	12
Principal risks and uncertainties	Strategic Report	48
Disclosure of information to auditor	Directors' Report	134
Directors in office during the year	Corporate Governance Report	103
Dividend recommendation for the year	Strategic Report	41
Directors' indemnities	Directors' Report	133
ESG	Strategic Report	70
Greenhouse gas emissions	Strategic Report	81
Financial instruments – risk management objectives and policies	Notes to the Financial Statements	193
List of subsidiaries and branches outside of the UK	Notes to the Financial Statements	202
Future developments of the Company	Strategic Report	7
Employment policies and employee involvement	Strategic Report and Directors' Report	56, 134
Stakeholder engagement	Strategic Report	62
Structure of share capital, including restrictions on the transfer of securities, voting rights and interests in voting rights	Directors' Report	133
Political donations	Directors' Report	134
Rules governing changes to Articles of Association	Directors' Report	134
Going concern statement	Strategic Report	42
Post balance sheet events	Notes to the Financial Statements	197
Statement of compliance with the UK Corporate Governance Code	Corporate Governance Framework	106

The above information is incorporated by reference and together with the information in the Corporate Governance Framework on pages 102 to 106 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report

The Strategic Report is set out on pages 3 to 93 and was approved by the Board on 3 April 2023. It is signed on behalf of the Board by Duncan Painter, Chief Executive Officer.

Cautionary statement

The review of the business and its future development in the Annual Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward-looking statements which are made by the Directors in good faith based on information available to them at the time of the approval of these reports and should be treated with caution due to inherent uncertainties associated with such statements. The Directors, in preparing the Strategic Report, have complied with s417 of the Companies Act 2006.

Directors' indemnities

The Company maintained appropriate insurance to cover Directors' and Officers' liability for itself and its subsidiaries and such insurance was in force for the whole of the year ended 31 December 2022.

The Company also indemnifies the Directors under deeds of indemnity for the purposes of section 236 of the Companies Act 2006. Such indemnities contain provisions that are permitted by the director liability provisions of the Companies Act 2006 and the Company's Articles of Association.

Share capital and rights attaching to shares

Details of the Company's share capital and movements during the year are set out in Note 25 to the financial statements, which is incorporated by reference into this report. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The ordinary shares of £0.01 each are listed on the London Stock Exchange (LSE: ASCL.L). The ISIN of the shares is GB00BYM8GJ06.

All ordinary shares (this being the only share class of the Company) have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as set out in the Articles.

Without prejudice to any rights attached to any existing shares and subject to relevant legislation, the Company may issue shares with such rights or restrictions as determined by either the Company by ordinary resolution or, if the Company passes a resolution to so authorise them, the Directors.

Subject to legislation, the Articles and any resolution of the Company, the Directors may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any shares to such persons, at such times and generally on such terms as the Directors may decide. The Company may issue any shares which are to be redeemed, or are liable to be redeemed, at the option of the Company or the holder, on such terms and in such manner as the Company may determine by ordinary resolution and the Directors may determine the terms, conditions and manner of redemption of any such shares. No such resolutions are currently in effect.

Subject to recommendation of the Board, shareholders may receive a dividend. Shareholders may share in the assets of the Company on liquidation.

Voting rights
Each ordinary share entitles the holder to attend, speak and vote at general meetings of the Company. A resolution put to the vote of the meeting shall be decided on a poll rather than a show of hands in line with recommended best practice.

On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are a holder. The Articles provide a deadline for submission of proxy forms of not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. No member shall be entitled to vote at any general meeting either in person or by proxy, in respect of any share held by him, unless all amounts presently payable by him in respect of that share have been paid. Save as noted, there are no restrictions on voting rights nor any agreement that may result in such restrictions.

Shares held by the Employee Benefit Trust ("EBT")
The Group has an Employee Benefit Trust which can hold shares to satisfy awards under employee share schemes. At 31 December 2022, the EBT held 425,251 shares. Voting rights in relation to any shares held in the EBT are exercisable by the trustee; however, in accordance with best practice guidance, the trustee abstains from voting.

The Group additionally has a UK SIP Trust which can hold shares to satisfy awards under the Ascential UK Share Incentive Plan. At 31 December 2022, the SIP Trust held 654,044 shares. Voting rights in relation to any shares held in the SIP Trust are exercisable by the trustee; however, in accordance with best practice guidance, the trustee abstains from voting.

Restrictions on transfers of securities
The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the restrictions imposed by laws and regulations.

Changes to the Company's Articles
The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

Political contributions
The Company has not made any political donations or incurred any political expenditure during the year in line with the Company's policy.

Interest in voting rights
Details of the share capital of the Company are set out in Note 25 to the financial statements.

As at 31 December 2022 and 27 March 2023, the Company had received notifications in accordance with the FCA's Disclosure and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company.

Shareholder	As at 27 March 2022 Percentage of voting rights over ordinary shares of £0.01 each	As at 27 March 2023 Percentage of voting rights over ordinary shares of £0.01 each
Jupiter Fund Management Plc	10.0%	10.0%
Ameriprise Financial, Inc	4.0%	4.0%
Black Rock Inc	Below 5%	Below 5%
T Rowe Price Associates, Inc	5.1%	5.1%
Franklin Templeton Institutional, LLC	5.1%	5.0%
Majedie Asset Management Limited	5.1%	5.1%
AXA Investment Managers	5.0%	5.0%
Ninety One UK Ltd	5.0%	5.0%
The Capital Group Companies, Inc.	5.1%	5.1%
Blacksheep Master Fund Ltd.	-	5.3%
Norges Bank	3.2%	3.2%

Significant contracts
The only significant contract to which the Company is a party that takes effect, alters or terminates upon a change of control of the Company is the Revolving Credit Facility dated 14 January 2020, which contains customary prepayment, cancellation and default provisions including mandatory repayment of all loans provided on a change of control.

Employment practices
All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, gender identity, mental or physical disabilities, marital status or sexual orientation. For employees who may have a disability, the Group ensures proper procedures and equipment are in place to aid them. When it comes to training, career development and promotion, all employees are treated equally and job applications are always judged on aptitude. Further details on the Group's policies on engagement and employment practices are set out on pages 56 to 61.

Auditor
Each of the Directors has confirmed that:

a. so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

b. the Director has taken all reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Post balance sheet events
The reportable events after the reporting date of 31 December 2022 are set out in Note 31 to the financial statements on page 197.

Other information
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 7.

Annual General Meeting
The AGM of the Company will take place at 9am on 18 May 2023 at the Company's registered office. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM.

The Notice of AGM can be found in a separate booklet which is being mailed out at the same time as this report. It is also available at ascential.com. The Notice sets out the resolutions to be proposed at the AGM and an explanation of each resolution. The Directors consider that all of the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole. To that end, the Directors unanimously recommend that shareholders vote in favour of each of them.

Directors' Responsibilities Statement
The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 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 Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in respect of the annual financial report
We confirm to the best of our knowledge:

The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the performance of the business, its financial position, assets, liabilities, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with description of the principal risks and uncertainties that they face.

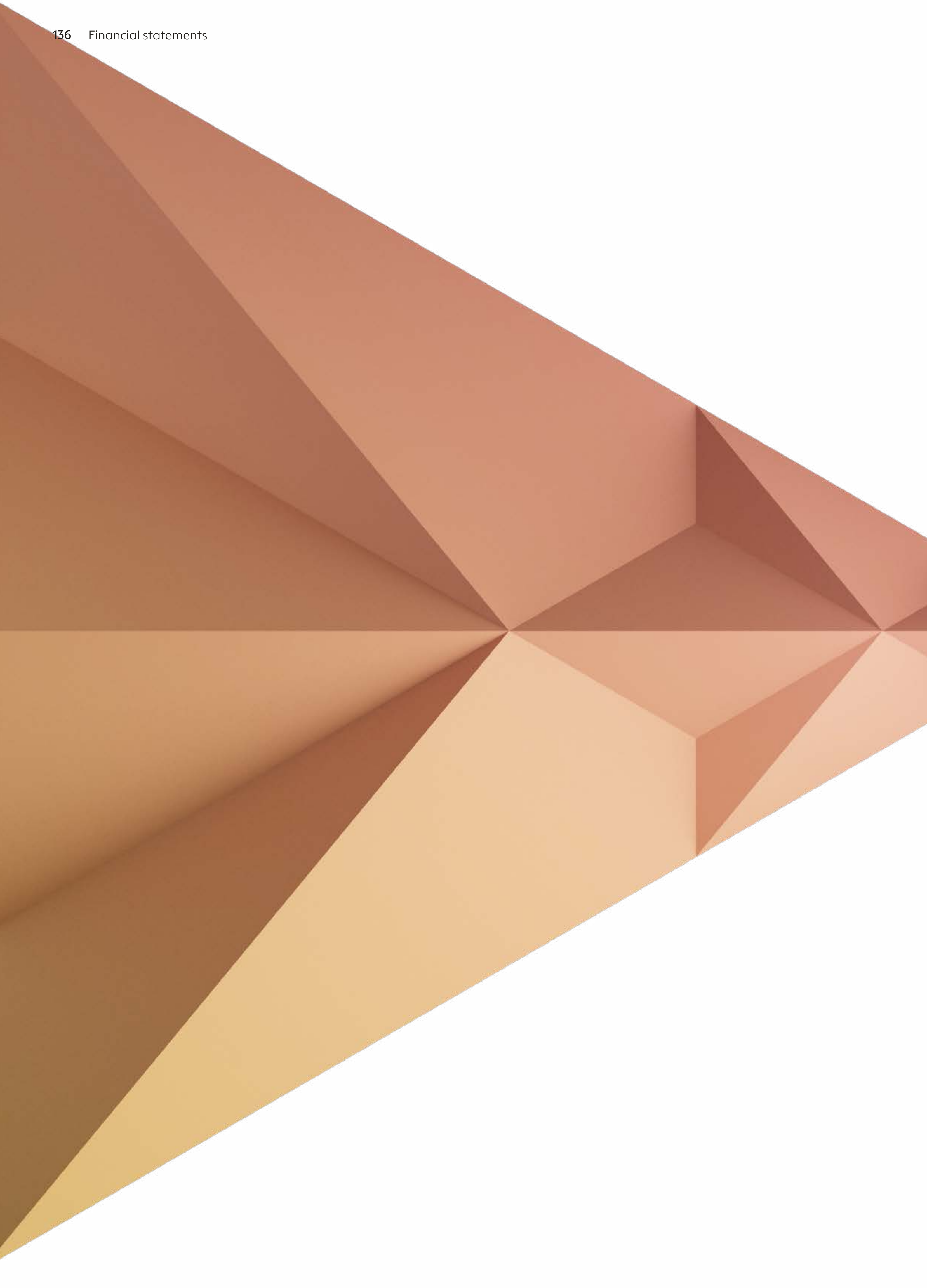
We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors' Report of Ascential plc was approved by the Board and signed on its behalf by

Louise Meads
Company Secretary

3 April 2023

Ascential plc
Registered in England and Wales
Number 09934451



Financial statements

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Independent auditor's report

to the members of Ascential plc

1. Our opinion is unmodified

We have audited the financial statements of Ascential plc ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows, Parent Company Balance Sheet, Parent Company Statement of Changes in Equity, and the related notes, including the accounting policies in note 2 to the Group financial statements and note 2 to the Parent Company financial statements.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were first appointed as auditor by the shareholders on 16 July 2016. The period of total uninterrupted engagement is for the 7 financial years ended 31 December 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: Group financial statements as a whole	£4.0m (2021:£3.1m) 0.8% (2021: 0.9%) of benchmark	
Coverage	74% (2021:70%) of revenue from continuing operations	
Key audit matters	**vs 2021**	
Event driven	Valuation of contingent consideration liabilities (2022: Perpetua, Whytespyder, 4K Miles 2021: DZ, Perpetua, Whytespyder, 4K Miles)	↓
	Identification and measurement of acquired intangible assets for current year acquisitions	↓
Parent Company recurring risk	Recoverability of cost of investment in subsidiary and intra-group debtors	↔

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including 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. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	**Our response**
Valuation of contingent consideration liabilities (2022: Perpetua, Whytespyder, and 4K Miles, 2021: DZ, Perpetua, Whytespyder and 4K Miles) Refer to page 110 (Audit Committee Report), page 156 (accounting policy) and page 186 (financial disclosures).	**Forecast based valuation** The Group has recognised significant contingent consideration liabilities in respect of the prior year acquisitions – Perpetua (US), Whytespyder (US) and 4K Miles (China) – which form a significant portion of the £64.9m non-current contingent consideration balance disclosed in note 22 of the financial statements. There is inherent uncertainty involved in forecasting revenue, which determines the fair value of the liabilities as at the balance sheet date. The valuation of these liabilities involves estimation and there is a risk that the valuation might be fraudulently manipulated to understate contingent consideration liabilities. The effect of these matters is that, as part of our risk assessment, we determined that the fair value of these contingent consideration liabilities has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 22) discloses the sensitivities for the key assumptions estimated by the Group. We performed procedures over the valuation of contingent consideration liabilities related to DZ. However, as the earn-out period has reduced and the remaining uncertainty relates to performance in 2023, we assessed that reasonably possible changes to the fair value of related contingent consideration would not be expected to result in a material movement. The effect of this matters is that the risk had decreased in the current year. We performed procedures over the valuation of contingent consideration liabilities related to new acquisitions in the year, Sellics and Intrepid. We assessed that reasonably possible changes to the fair value of related contingent liabilities would not be expected to result in a material movement.	Our procedures included: – **Our sector experience:** We challenged the forecast revenue growth rates by comparing to other similar acquisitions and with reference to our knowledge of the industry; – **Sensitivity analysis:** We performed sensitivities over forecast revenue growth rates to determine if reasonably possible changes in this assumption would result in material changes to the valuation individually and in aggregate; – **Historical comparisons:** We evaluated the track record of the Group's forecasting accuracy by comparing budgets to the actual results since acquisition for those identified as significant risks and assessed significant accounting estimates and significant unusual transactions for bias; – **Assessing the discount rate:** We challenged the reasonableness of the discount rate used by conducting sensitivity analysis based on our independently developed rate as at the date of acquisition and comparing to the businesses discount rate as at year end; – **Tests of details:** We agreed the basis of the earn-out valuations and values of key inputs such as potential consideration values to signed agreements; – **Assessing transparency:** Assessing whether the Group's disclosures about the potential aggregate range of future payments, the sensitivity of the valuations in relation to forecast revenue growth rates, and the estimates and judgements made by the Group appear reasonable;; We performed the above tests rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** As a result of our work we found the valuation of the contingent consideration liabilities for Perpetua, Whytespyder and 4K Miles to be acceptable (2021: we found the valuation of the contingent consideration liabilities for DZ, Perpetua, Whytespyder and 4K Miles to be acceptable).

Independent auditor's report
continued

	The risk	Our response
Identification and valuation of acquired identifiable intangibles for in-year acquisitions (£20.5 million of acquired identifiable intangibles; 2021: 112.0 million) Refer to page 109 (Audit Committee Report), page 157 (accounting policy) and page 179 (financial disclosures).	**Forecast based valuation** The Group has acquired two businesses during the year – Sellics and Intrepid. The Group has also trued up the provisional basis of assessment for 4K Miles which was acquired in the prior year, but the true up has not resulted in any material changes. The identification and measurement of the acquired identifiable intangible assets acquired at fair value, is inherently judgemental and hence has been identified as a risk because of the size of the acquisitions. In particular, judgement is required in determining whether certain types of intangible assets are reflective of the business acquired. There is a significant judgement involved in forecasting future performance of the acquired businesses, which determines the fair value of the identified intangible assets. Auditor judgement is required to assess whether the Group's estimates of the revenue growth rates, discount rates and customer attrition rate fall within an acceptable range. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of the acquired intangibles has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 13) disclose the sensitivity estimated by the Group.	For all three businesses our procedures included: – **Our valuation expertise:** We assessed, with the assistance of our own valuation specialists, the appropriateness of the identified intangible assets, valuation methodology applied and the assumptions considered. To assess whether the Group's discount rates fell within a reasonable range, we calculated our own range of reasonable discount rates based on market data; – **Benchmarking assumptions:** We compared the Group's assumptions for key inputs, such as revenue growth rates and customer attrition rates, to externally derived data and to other similar acquisitions; – **Historical comparisons:** We challenged management on the reasonableness of assumptions for revenue growth rates and customer attrition rates by comparing to prior year acquisitions, previous performance of the in-year and trued up acquisitions and similar entities within the Group; – **Sensitivity analysis:** We performed sensitivities over revenue growth rates, discount rates and customer attrition rates, to determine if reasonably possible changes in the assumptions would result in material changes to the valuation individually and in aggregate; – **Assessing transparency:** In respect of both in-year acquisitions, we critically assessed whether the Group's disclosures reflect the sensitivity relating to key assumptions on the valuation of acquired intangibles and the range of reasonably possible outcomes We performed the above tests rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** As a result of our work we found the identification and valuation of the acquired identifiable intangible assets recognised to be acceptable (2021: acceptable).

	The risk	Our response
Recoverability of cost of investment in subsidiary and intra-group debtors Investment (£652.8 million; 2021 £ 652.8 million (restated)) Intra-group debtors (£93.5 million; 2021 £147.5 million (restated)) Refer to page [ ] (Audit Committee Report), page [ ] (accounting policy) and page [ ] (financial disclosures).	**Low risk, high value** The amount of the Parent Company's investment in its subsidiary, which acts as an intermediate holding company for the rest of the Parent Company's subsidiaries, represents 87% (2021: 81% (restated)) of the Parent Company's assets. The carrying amount of the intra-group debtors balance comprises substantially the remaining 13% (2021: 19% (restated)). We draw attention to note 5 of the Parent company financial statements that explains the prior period adjustments and the impact on each financial statement line item due to the restatement. Their recoverability is not at a high risk of significant misstatement or subject to a significant level of judgement. However, due to their materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	Our procedures included: – **Tests of detail:** We compared the carrying amount of the Parent Company's only investment with the subsidiary's draft balance sheet to identify whether its net assets, being an approximation of its minimum recoverable amount, were in excess of its carrying amount and assessing whether the group headed by the subsidiary has historically been profit-making; – **Tests of detail:** We assessed 100% of intra-group debtors to identify, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making; – **Comparing valuations:** We compared the carrying amount of the investment in the subsidiary to the Group's market capitalisation as adjusted to exclude the liabilities of the Parent Company, being an approximation of the recoverable amount of the investment. We performed the tests above rather than seeking to rely on any of the Parent Company's controls because the nature of the balance meant that detailed testing is inherently the most effective means of obtaining audit evidence. **Our results** We found the Directors' conclusion that there is no impairment to the carrying amounts of the investment in the subsidiary and the intra-group debtors to be acceptable (2021: acceptable).

The Key Audit Matter in the prior year relating to the accounting for the Group's interest in Hudson MX ("Hudson"), specifically whether the Group had control or significant influence over Hudson, is no longer a Key Audit Matter. Due to the lapse of the option that existed as at 31 December 2021, there is less complexity and judgement required in making that determination. We continue to perform procedures over the classification of Hudson as an equity-accounted investee, and whilst judgement is required to determine whether the Group now exercises significant influence or not over Hudson, this is not considered to be a material judgement. Consequently, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Independent auditor's report
continued

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £4.0m (2021: £3.1m), determined with reference to a benchmark of Group revenue from continuing operations, of which it represents 0.8% (2021: 0.9%). We consider Group revenue to be the most appropriate benchmark as it provides a more stable measure year on year than Group loss before tax from continuing operations, and is reflective of the high growth of the Digital Commerce businesses.

Materiality for the Parent Company financial statements as a whole was set at £3.9m (2021: £3m), determined with reference to a benchmark of Parent Company total assets, of which it represents 0.5% (2021: 0.4%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £3.0m (2021: £2.3m) for the Group and £2.9m (2021: £2.2m) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £200,000 (2021: £150,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

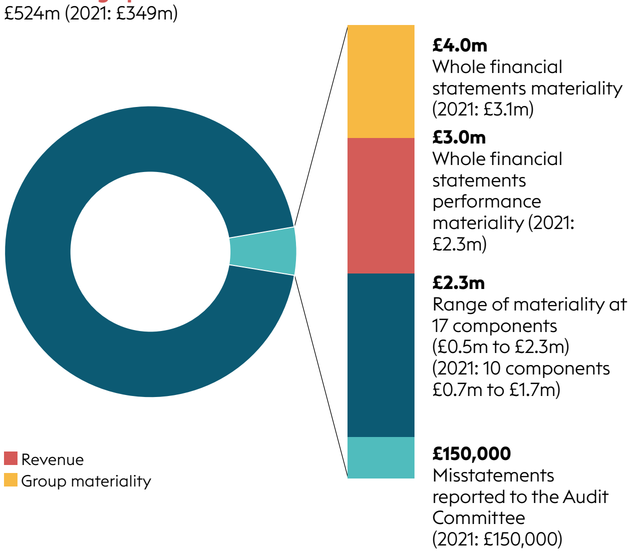
Of the Group's 93 (2021: 92) reporting components, we subjected 11 (2021: 8) to full scope audits for group purposes, 5 (2021: 2) to specified risk-focused audit procedures over revenue and revenue related accounts and 1 (2021: Nil) to specified risk-focused audit procedures over expenses. Those subject to specified risk-focused procedures were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed.

The components within the scope of our work accounted for the percentages illustrated opposite.

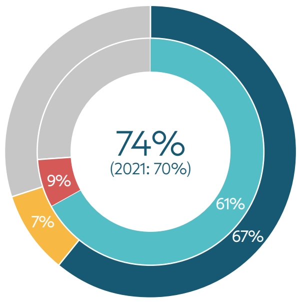
The remaining 26% (2021: 30%) of total Group revenue, 11% (2021: 12%) of Group loss before tax and 13% (2021: 14%) of total Group assets is represented by 76 (2021: 82) of reporting components, none of which individually represented more than 2.3% (2021: 3.5%) of any of total Group revenue, Group profit before tax or total Group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Revenue benchmark from continuing operations
£524m (2021: £349m)

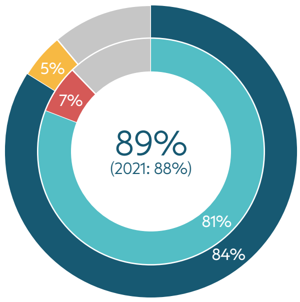
Group Materiality
£4.0m (2021: £3.1m)



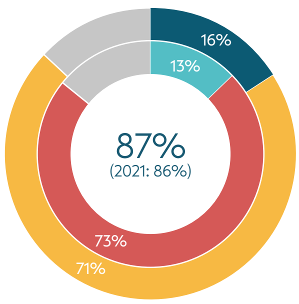
Group revenue from continuing operations



Total profits and losses that made up group loss before tax from continuing operations



Group total assets



Full scope for group audit purposes 2022
Specified risk-focused audit procedures 2022
Full scope for group audit purposes 2021
Specified risk-focused audit procedures 2021
Residual components

3. Our application of materiality and an overview of the scope of our audit (cont.)

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £0.5m to £2.3m (2021: £0.7m to £1.7m), having regard to the mix of size and risk profile of the Group across the components. The work on 4 of the 17 components (2021: Nil of the 10 components) was performed by component auditors and the rest, including the audit of the Parent Company and adjusting items, was performed by the Group team.

The scope of the audit work performed was predominantly substantive as we placed limited reliance upon the Group's internal control over financial reporting.

The Group team visited 2 (2021: Nil) component locations in Singapore and China (2021: Nil) to assess the audit risk and strategy. Video and telephone conference meetings were also held with these component auditors and the other two components that were not physically visited. These meetings involved explanation of group audit instructions, involvement in planned audit procedures, discussing progress and emerging findings and involvement in discussing audit findings with component management. The findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

As identified on page 76, the Group has identified climate risks that could impact the Group. These include changing consumer behaviour, an inability to respond to changing market needs and potential impacts on event attendance.

We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. The areas of financial statements that could be primarily potentially exposed to climate risk in the form of uncertainty is forward-looking assessments related to long-life assets, such as goodwill impairment.

Taking into account the nature of the Group's business, the diversification, size and composition of the Group, and the level of headroom in the impairment testing (see note 16), we assessed that there was no significant impact on the financial statements or our audit approach this year from climate change.

We have read the disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

Independent auditor's report
continued

5. Going Concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources and metrics relevant to debt covenants over the period was the cancellation of major events, such as Money 20/20 at short notice due to any unforeseeable incident.

We also considered less predictable but realistic second order impacts, such as significantly larger than expected cash settlements for the earn-out payments.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the Director's sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

- Critically assessing key assumptions in the Group's forecast using our knowledge of the business and knowledge of the entity and the sector in which it operates;
- Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not realistic) adverse effects that could arise from these risks individually and collectively;
- Assessing the current and available committed facilities to understand the financial resources available to the Group during the forecast period and any related covenant requirements; and
- Assessing the Group's historical forecasting accuracy by comparing forecasts from prior years with actual results in those years.

We assessed the completeness of the going concern disclosure, particularly with reference to the Director's plan to execute their Strategic Review and their statement that those plans would not change the conclusions reached.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the Directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 42 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of Directors, the Audit Committee, internal audit and the Group's in-house legal counsel, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board, Audit Committee and nomination committee minutes;
- considering remuneration incentive schemes and performance targets for management, Directors and sales staff including the adjusted earnings per share target for management remuneration;
- using analytical procedures to identify any unusual or unexpected relationships; and

Using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to full scope and audit of specific risk-focused component audit teams to report to the Group audit team for any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that Perpetua, DZ, Intrepid and Yimian revenue is recorded in an inappropriate financial year and the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements.

We also identified a fraud risk related to contingent consideration in response to possible pressures to understate contingent consideration liabilities.

We performed procedures including:

identifying journal entries to test for all full scope and specified risk-focused procedures components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts;

For the risk of fraud in the revenue of entities with significant earn-outs, the Group Audit Team and component auditors have selected a sample of sales invoices during the period to assess whether revenue has been recognised in the correct financial period, by comparing the date, amount, description and quantity to relevant documentation such as contract, proof of payment or over third-party acknowledgement of receipt and proof of service.

Further detail in respect of contingent consideration liabilities is set out in the key audit matter disclosures in section 2 of this report.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection and certain aspects of company legislation recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent auditor's report
continued

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Director's Long-term viability statement on page 49 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Long-term viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Long-term viability statement, set out on page 49 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 135, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

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

Christopher Hearn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom
3 April 2023

Consolidated Statement of Profit or Loss

For the year ended 31 December 2022

(£ million)	Note	**2022** Adjusted results	**2022** Adjusting items	**2022** Total	2021 Adjusted results	2021 Adjusting items	2021 Total
Continuing operations							
Revenue	4	**524.4**	**–**	**524.4**	349.3	–	349.3
Cost of sales		**(212.0)**	**–**	**(212.0)**	(127.6)	–	(127.6)
Sales, marketing and administrative expenses		**(210.4)**	**(189.6)**	**(400.0)**	(150.5)	(96.1)	(246.6)
Impairment loss on trade receivables and contract assets		**(6.6)**	**–**	**(6.6)**	(1.8)	–	(1.8)
Operating profit / (loss)	5	**95.4**	**(189.6)**	**(94.2)**	69.4	(96.1)	(26.7)
Adjusted EBITDA	4	**121.1**	**–**	**121.1**	88.9	–	88.9
Depreciation, amortisation and impairment	4	**(25.7)**	**(91.6)**	**(117.3)**	(19.5)	(31.9)	(51.4)
Non-trading items	6	**–**	**(82.1)**	**(82.1)**	–	(55.8)	(55.8)
Share-based payments	8	**–**	**(15.9)**	**(15.9)**	–	(8.4)	(8.4)
Operating profit/(loss)	5	**95.4**	**(189.6)**	**(94.2)**	69.4	(96.1)	(26.7)
Share of the loss of associates	18	**(2.6)**	**(0.6)**	**(3.2)**	(2.4)	(0.1)	(2.5)
Finance costs	9	**(21.8)**	**(5.3)**	**(27.1)**	(20.1)	–	(20.1)
Finance income	9	**8.4**	**–**	**8.4**	2.7	7.0	9.7
Profit/(loss) before taxation		**79.4**	**(195.5)**	**(116.1)**	49.6	(89.2)	(39.6)
Taxation charge/(credit)	10	**(21.0)**	**32.3**	**11.3**	(8.2)	9.8	1.6
Profit/(loss) from continuing operations		**58.4**	**(163.2)**	**(104.8)**	41.4	(79.4)	(38.0)
Discontinued operations							
(Loss)/profit from discontinued operations, net of tax	11	**–**	**(0.9)**	**(0.9)**	11.5	250.4	261.9
Profit/(loss) for the year		**58.4**	**(164.1)**	**(105.7)**	52.9	171.0	223.9
Profit/(loss) attributable to:							
Owners of the Company		**56.6**	**(153.0)**	**(96.4)**	51.1	172.0	223.1
Non-controlling interests	14	**1.8**	**(11.1)**	**(9.3)**	1.8	(1.0)	0.8
Earnings/(loss) per share (basic and diluted, pence)							
Continuing operations	12	**12.9**	**(34.6)**	**(21.7)**	9.5	(18.8)	(9.3)
Discontinued operations	12	**–**	**(0.2)**	**(0.2)**	2.8	60.0	62.8
Total operations	12	**12.9**	**(34.8)**	**(21.9)**	12.3	41.2	53.5

The accompanying notes on pages 153 to 197 are an integral part of these consolidated financial statements. Adjusting items are detailed in Note 6.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	2022			2021		
(£ million)	**Adjusted results**	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Profit/(loss) for the from:						
Continuing operations	**58.4**	**(163.2)**	**(104.8)**	41.4	(79.4)	(38.0)
Discontinued operations	**–**	**(0.9)**	**(0.9)**	11.5	250.4	261.9
Profit/(loss) for the year	**58.4**	**(164.1)**	**(105.7)**	52.9	171.0	223.9
Other comprehensive income						
Items that have been or may be reclassified subsequently to profit or loss:						
Exchange translation differences:						
– recognised in equity on translation of foreign operations	**40.2**	**–**	**40.2**	18.5	–	18.5
– transferred from equity for disposed entities	**–**	**–**	**–**	6.7	–	6.7
Other comprehensive income, net of tax	**40.2**	**–**	**40.2**	25.2	–	25.2
Total comprehensive income/(expense) for the year	**98.6**	**(164.1)**	**(65.5)**	78.1	171.0	249.1
Total comprehensive income/(expense) attributable to:						
Owners of the Company	**96.8**	**(153.0)**	**(56.2)**	76.3	172.0	248.3
Non-controlling interest (NCI)	**1.8**	**(11.1)**	**(9.3)**	1.8	(1.0)	0.8

The accompanying notes on pages 153 to197 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

(£ million)	Note	2022	2021
Assets			
Non-current assets			
Goodwill	16	**711.1**	603.6
Intangible assets	16	**242.4**	275.3
Property, plant and equipment	17	**5.7**	5.4
Right-of-use assets	28	**20.7**	22.4
Investments	18	**88.5**	82.2
Other receivables	20	**42.7**	–
Deferred tax assets	10	**60.3**	57.7
		1,171.4	1,046.6
Current assets			
Inventories	19	**3.3**	1.9
Trade and other receivables	20	**344.9**	272.6
Derivatives	30	**4.5**	–
Cash and cash equivalents	23	**80.0**	84.1
		432.7	358.6
Total assets		**1,604.1**	1,405.2
Liabilities			
Current liabilities			
Trade and other payables	21	**277.6**	198.4
Deferred income		**116.3**	100.3
Deferred and contingent consideration	22	**43.2**	52.6
Lease liabilities	23	**7.3**	7.0
Current tax liabilities	10	**8.6**	3.6
Provisions	24	**2.0**	2.9
		455.0	364.8
Non-current liabilities			
Deferred income		**1.0**	0.7
Deferred and contingent consideration	22	**64.9**	50.3
Lease liabilities	23	**19.5**	18.2
External borrowings	23	**301.2**	158.1
Deferred tax liabilities	10	**8.6**	6.5
Provisions	24	**2.0**	1.0
		397.2	234.8
Total liabilities		**852.2**	599.6
Net assets		**751.9**	805.6
Equity			
Share capital	25	**4.4**	4.4
Share premium	25	**153.6**	153.3
Translation reserve		**19.7**	(20.5)
Other reserves	25	**166.0**	167.0
Retained earnings		**386.5**	471.7
Shareholders' equity		**730.2**	775.9
Non-controlling interests	14	**21.7**	29.7
Total equity		**751.9**	805.6
Total liabilities and equity		**1,604.1**	1,405.2

The accompanying notes on pages 153 to 197 are an integral part of these consolidated financial statements. The consolidated financial statements on pages 148 to 152 were approved by the Board of Directors on 3 April 2023 and were signed on its behalf by Directors: Duncan Painter and Mandy Gradden.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

(£ million)	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
At 1 January 2021	**4.0**	**3.0**	**(45.7)**	**167.0**	**241.6**	**369.9**	**1.3**	**371.2**
Profit for the year	–	–	–	–	223.1	223.1	0.8	223.9
Other comprehensive income	–	–	18.5	–	–	18.5	–	18.5
Transferred to the income statement	–	–	6.7	–	–	6.7	–	6.7
Total comprehensive income	–	–	25.2	–	223.1	248.3	0.8	249.1
Issue of shares	0.4	150.3	–	–	–	150.7	–	150.7
Acquisition of subsidiary with non-controlling interest	–	–	–	–	–	–	28.3	28.3
Foreign exchange movements	–	–	–	–	–	–	0.7	0.7
Share-based payments	–	–	–	–	8.4	8.4	–	8.4
Taxation on share-based payments	–	–	–	–	(1.4)	(1.4)	–	(1.4)
Dividends paid to non-controlling interest	–	–	–	–	–	–	(1.4)	(1.4)
At 31 December 2021	**4.4**	**153.3**	**(20.5)**	**167.0**	**471.7**	**775.9**	**29.7**	**805.6**
Loss for the year	**–**	**–**	**–**	**–**	**(96.4)**	**(96.4)**	**(9.3)**	**(105.7)**
Other comprehensive income	**–**	**–**	**40.2**	**–**	**–**	**40.2**	**–**	**40.2**
Total comprehensive income	**–**	**–**	**40.2**	**–**	**(96.4)**	**(56.2)**	**(9.3)**	**(65.5)**
Issue of shares	**–**	**0.3**	**–**	**–**	**–**	**0.3**	**–**	**0.3**
Share purchases	**–**	**–**	**–**	**(3.7)**	**–**	**(3.7)**	**–**	**(3.7)**
Shares issued to employees	**–**	**–**	**–**	**2.7**	**(2.7)**	**–**	**–**	**–**
Foreign exchange movements	**–**	**–**	**–**	**–**	**–**	**–**	**3.4**	**3.4**
Share-based payments	**–**	**–**	**–**	**–**	**16.7**	**16.7**	**–**	**16.7**
Taxation on share-based payments	**–**	**–**	**–**	**–**	**(2.8)**	**(2.8)**	**–**	**(2.8)**
Dividends paid to non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**(2.1)**	**(2.1)**
At 31 December 2022	**4.4**	**153.6**	**19.7**	**166.0**	**386.5**	**730.2**	**21.7**	**751.9**

The accompanying notes on pages 153 to 197 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

(£ million)	Note	2022	2021
Cash flow from operating activities			
Loss before taxation on continuing operations		**(116.1)**	(39.6)
(Loss)/profit before taxation on discontinued operations	11	**(0.9)**	265.7
Adjustments for:			
Depreciation and amortisation	16, 17, 28	**60.3**	54.4
Impairment of assets	16, 28	**59.9**	–
Deferred and contingent consideration: revaluation and contingent employment costs	22	**31.5**	35.1
Gain on disposal of businesses	15	**(6.0)**	(259.4)
Share-based payments	8	**15.9**	9.1
Share of the loss of equity-accounted investees, net of tax		**3.2**	2.5
Net finance costs	9	**18.7**	10.4
Cash generated from operations before changes in working capital, provisions and deferred and contingent consideration		**66.5**	78.2
Cash outflows for acquisition-related contingent employment costs*	22	**(19.5)**	(39.4)
Changes in:			
Inventories		**(1.2)**	0.1
Trade and other receivables		**(50.7)**	(65.7)
Trade and other payables		**58.2**	65.5
Provisions		**0.1**	(5.5)
Cash generated from operations		**53.4**	33.2
Adjusted cash generated from operations		**126.1**	84.0
Cash inflows for discontinued operations		**(0.9)**	12.0
Cash outflows for acquisition-related contingent employment costs*	22	**(19.5)**	(39.4)
Cash outflows for other non-trading items		**(52.3)**	(23.4)
Cash generated from operations		**53.4**	33.2
Tax paid		**(0.2)**	(3.3)
Net cash generated from operating activities		**53.2**	29.9
Cash flow from investing activities			
Acquisition of businesses, net of cash acquired	13	**(60.8)**	(195.3)
Deferred and contingent consideration paid*	22	**(37.9)**	(87.6)
Acquisition of investments	18	**(4.0)**	(44.0)
Proceeds from sale of equity-accounted investments	15	**5.3**	–
Loan to associate		**(30.6)**	(7.3)
Acquisition of software intangibles and property, plant and equipment		**(35.9)**	(23.3)
Disposal of businesses, net of cash disposed		**0.6**	342.4
Net cash used in investing activities		**(163.3)**	(15.1)
Cash flow from financing activities			
Proceeds from external borrowings**	23	**176.8**	180.7
Repayment of external borrowings**		**(53.8)**	(329.7)
Proceeds from issue of shares		**0.3**	150.7
Share repurchase		**(3.7)**	–
Interest and arrangement fees paid		**(9.0)**	(6.4)
Lease liabilities paid		**(7.3)**	(7.2)
Dividends paid to non-controlling interests		**(2.8)**	(0.5)
Net cash generated from/(used) in financing activities		**100.5**	(12.4)
Net (decrease)/increase in cash and cash equivalents		**(9.6)**	2.4
Cash and cash equivalents at 1 January		**84.1**	80.2
Effect of exchange rate changes		**5.5**	1.5
Cash and cash equivalents at 31 December		**80.0**	84.1

* Includes payments for both deferred and contingent consideration recognised on initial acquisition as well as any subsequent remeasurements. Payments linked to ongoing employment as well as business performance are shown within cash generated from operations

** The cashflow comparatives have been represented to show cash flow movements for the RCF on a gross basis

The accompanying notes on pages 153 to 197 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 31 December 2022

1. Basis of preparation

These consolidated financial statements of Ascential plc (the "Company") and its subsidiaries (the "Group") have been prepared in accordance with Companies Act 2006 and UK-adopted international accounting standards ("UK-adopted IFRS").

Ascential plc is a public company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. The registered office is located at 33 Kingsway, London, WC2B 6UF. The Company is principally engaged in the provision of industry-specific business intelligence, insights and forecasting through data and digital subscription tools and events. The principal activities are information services for digital commerce, product design, marketing, and retail & financial services.

The consolidated financial statements are presented in pounds sterling ("GBP"), which is the Company's functional currency, and have been rounded to millions to the nearest one decimal place except where otherwise indicated.

The consolidated financial statements have been prepared on a going concern basis (see further details below) and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value.

We have performed our assessment based on the Group as it is currently constituted and do not consider the potential separation of our Digital Commerce assets into an independent, publicly traded company listed in the US and sale of WGSN as having a detrimental impact on the consolidated financial statements being prepared on a going concern basis.

Going concern

After considering the current financial projections and the bank facilities available and then applying a severe but plausible sensitivity, the Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities for at least the next 12 months from the date of approving these financial statements. The process and key judgements in coming to this conclusion are set out below.

The Board is required to assess going concern at each reporting period. These assessments require judgement to determine the impact of future economic conditions on the Group, including the impact of any downward recessionary pressures. The Directors have considered three main factors in reaching their conclusions on going concern – liquidity, covenants and scenario planning – as set out below

Liquidity

In January 2020, the Group entered into a new 5-year multi-currency revolving credit facility ("RCF") of £450m. These facilities provide ample liquidity when judged against the Net Debt of the Group of £216.7m at 31 December 2022.

Covenants

The more sensitive aspects of the Group's financing are the application of certain covenant limit tests to these facilities and the most sensitive covenant limit is Net Debt Leverage (broadly, the ratio of Net Debt to Adjusted pre-IFRS 16 EBITDA). The facility covenants are tested semi-annually and include (i) a maximum Net Debt leverage of 3.25x with the benefit of additional 0.5x leverage spikes for relevant acquisitions, and (ii) a minimum interest cover of 3.00x.

At 31 December 2022, our leverage ratio was 1.9x (or 2.04x on a covenant basis compared to the limit of 3.25x), and therefore well within our banking covenants.

Scenario planning

In assessing going concern, the Directors considered the most severe but plausible scenario that could impact the business to be the cancellation of a major event at short notice. This scenario is not a forecast of the Group and is designed to stress test liquidity and covenant compliance. The key assumption is that Money20/20 US is cancelled in 2023 with minimal notice due to an unforeseen event. This scenario results in a 0.8x increase to our leverage ratio at the 31 December 2023 testing point.

In their review of the downside scenario, the Directors have also considered a number of mitigations that would reduce the leverage ratio further and are at their discretion, including but not limited to: the use of equity to meet deferred consideration obligations, further restructuring and cost cutting measures.

In this downside scenario there is sufficient headroom against all banking covenant tests. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Strategic report
Governance report
Financial statements

Notes to the financial statements
continued

2. Accounting policies

The principal accounting policies in the preparation of the consolidated financial statements have been applied consistently to both periods presented.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent Company, its subsidiaries and share of the results of its associates and joint ventures drawn up to 31 December 2022 using consistent accounting policies throughout the current and preceding years.

The trading results of business operations are included in profit or loss from continuing operations from the date of acquisition on which control was obtained or up to the date of disposal. Intra-group balances and transactions are eliminated in full on consolidation. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Foreign currency translation

The functional currency of subsidiaries and associates is the currency of the primary economic environment in which they operate. The consolidated financial statements are presented in pounds sterling, which is the presentational currency of the Group and the functional currency of the parent Company.

Foreign currency transactions are recorded at the exchange rate ruling at the date of transaction. Foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss except for those on foreign currency borrowings that provide a hedge against an investment in a foreign entity. These are taken directly to equity until the disposal of the investment, at which time a cumulative amount is recognised in the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into pounds sterling at the rate of exchange applicable at the reporting date and their consolidated statement of profit or loss are translated at the monthly average exchange rates for the period. The exchange differences arising from the retranslation of foreign operations are taken directly to a separate component of equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the consolidated statement of profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the reporting date.

Changes in fair value of derivative financial instruments entered into to hedge foreign currency net assets, and that satisfy the hedging conditions of IFRS 9 "Financial Instruments", are recognised in the currency translation reserve.

Discontinued operations

The Group classifies an operation as discontinued when it has disposed of or intends to dispose of a business component that represents a separate major line of business or geographical area of operations. The post-tax profit or loss of the discontinued operations is shown as a single line on the face of the consolidated statement of profit or loss, separate from the continuing operating results of the Group. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss is represented as if the operation had been discontinued from the start of the comparative year.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer. If multiple performance obligations exist within a contract, the revenue is allocated to the obligations based on the stand-alone selling price, with any discounts allocated accordingly across the obligations. For contracts with rebates and therefore variable consideration, revenue is recognised based on the best estimate of the revenue net of the rebated amount. Revenue is recognised when the Group satisfies the performance obligations, the timing of which is set out in Note 4.

Digital Subscriptions & Platforms revenue is generally recognised systematically over the period the services are provided as the customer simultaneously receives and consumes the economic benefit of the service. Advisory revenue is recognised over time where we have the right to payment for performance completed to date, Revenue is recognised based on an input method of measurement using either internal timesheets as the measurement of the level of time worked as a percentage of the total expected time worked on the contract as this is commensurate with the pattern of transfer of service to the customer, or other appropriate cost measures.

The Group provides services arising from the purchase of media, arranged on behalf of customers, through its technology platforms. In most of these cases, we are acting as an agent as we do not control the relevant services before it is transferred to the client and no revenue or cost is recognised for the pass-through whereby the Group purchase media and charges clients.

Events and benchmarking awards revenue is recognised at the point in time that the events and awards take place.

Pre-paid subscription and event revenues are shown as deferred income and released to the income statement in accordance with the revenue recognition criteria above. There is no significant financing component for these contracts considering the length of time between the customers' payment and the satisfaction of respective performance obligation.

Transactional revenue is recognised when control of the product is passed to the customer. For such sales, this generally occurs when the product is delivered to the customer, depending on contractual conditions. Barter transactions are those where goods and services, rather than cash, are exchanged between two third parties and revenue is recognised at fair value for the goods or services provided. Where goods or services are provided at a discount and dissimilar to the goods or services received, the discounted price is recorded as revenue with the corresponding amount included in operating costs.

Alternative Performance Measures

The consolidated financial statements include Alternative Performance Measures, including Adjusted EBITDA, as an additional measure of profitability of the trading performance of the continuing operations of the Group. Adjusted EBITDA is a non-IFRS measure, defined as the Group's operating profit before expensing depreciation of tangible fixed assets and amortisation of software, non-trading items, amortisation of acquired intangible assets, impairment of tangible fixed assets and software intangibles, share-based payments and one-off finance costs. Refer to pages 43 to 47 for further details on Alternative Performance Measures.

Non-trading items

Non-trading items are those which meet the Group's policy for those costs which are considered significant or unusual by virtue of their nature, size or incidence or directly incurred as a result of either an acquisition, divestiture or relate to a major business change or restructuring programme.

The presentation and policy are applied consistently year-on-year with items presented separately within their relevant income statement category to assist in the understanding of the performance and financial results of the Group as these types of cost do not form part of the continuing operations. Examples of items that are considered by the Directors for designation as non-trading items include, but are not limited to:

- significant capital structuring costs as these can be material and are not a reflection of the underlying business;
- costs incurred as part of the acquisition and integration of acquired businesses as these can be material. Acquisition-related employment costs, which, absent the link to continued employment, would have been treated as consideration are designated as non-trading items (revenues related to acquisitions are recorded within the adjusted results of the Group);
- gains or losses on disposals of businesses are considered to be non-trading in nature as these do not reflect the performance of the Group;
- material restructuring and separation costs within a segment incurred as part of a significant change in strategy as these are not expected to be repeated on a regular basis; and
- significant one-off items, such as the impairment of intangible assets, the recognition of provisions for onerous contracts and substantial system implementations, that do not reflect underlying performance.

If provisions have been made for non-trading items in previous years, then any reversal of these provisions is treated within non-trading items.

Finance costs and income

Finance cost or income is recognised using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

Income tax

The Group is primarily subject to corporation tax in the UK, the US and China.

Income tax on the profit or loss for the period comprises current tax and deferred tax. Income tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is tax payable based on taxable profits for the period, using tax rates that have been enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income, along with any adjustment relating to tax payable in previous years. Taxable profit differs from net profit in the consolidated statement of profit or loss in that income or expense items that are taxable or deductible in other years are excluded, as are items that are never taxable or deductible.

Notes to the financial statements
continued

2. Accounting policies continued

Income tax (continued)

Using the liability method, deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for certain temporary differences, such as goodwill that is not deductible for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that is probable that taxable profit will be available against the deductible temporary differences, and the carry forward of unused tax credits and tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

The deferred tax assets and liabilities are only offset where they relate to the same taxing authority and the Group has a legal right to offset.

Business combinations

The fair value of consideration paid for a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control. The assets, liabilities and contingent liabilities of the acquired entity are measured at fair value as at the acquisition date. When the initial accounting for a business combination is determined, it is done so on a provisional basis with any adjustments to these provisional values made within 12 months of the acquisition date and are effective as at the acquisition date. To the extent that deferred consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate interest rate and, accordingly, carried at fair value in the consolidated statement of financial position and accounted for in accordance with IFRS 9: 'Financial Instruments'. The discounting is then recognised in the consolidated statement of profit or loss over the life of the obligation. Where a business combination agreement provides for an adjustment to the cost of a business acquired contingent on future events, the Group accrues the fair value of the additional consideration payable as a liability at acquisition date. This amount is reassessed at each subsequent reporting date with any adjustments recognised in the consolidated statement of profit or loss. If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is re-measured at the acquisition date through the consolidated statement of profit or loss. Transaction costs are expensed to the consolidated statement of profit or loss as incurred.

Acquisition-related expenses include contingent consideration payments agreed as part of the acquisition and contractually linked to ongoing employment as well as business performance (acquisition-related employment costs). Acquisition-related employment costs are accrued over the period in which the related services are received and are recorded as non-trading items and accounted for in accordance with IAS 19: 'Employee Benefits'. We have made a judgement that payments related to this type of contingent consideration are reported within operating activities within the consolidated statement of cash flows and other consideration payments are reported within investing activities in line with how management consider these payments.

The non-controlling interest at acquisition date is measured at the non-controlling interest's share of the identifiable assets purchased and liabilities assumed.

Intangible assets

Goodwill

Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of net identifiable assets of the business at the date of acquisition. Goodwill is allocated or grouped at the lowest levels, for which there are identifiable cash flows, known as cash generating units or CGUs.

Goodwill arising on acquisition is capitalised and subject to impairment review, both annually and when there are indications that the carrying value may not be recoverable. For goodwill impairment purposes, no CGU is larger than the reporting segments determined in accordance with IFRS 8 "Operating Segments". The recoverable amount of goodwill is assessed on the basis of the value-in-use estimate for CGUs to which the goodwill relates. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying value exceeds the recoverable amount the goodwill is considered impaired and written down to its recoverable amount. Any impairment is recognised in the consolidated statement of profit or loss.

Other intangibles
Intangible assets other than goodwill are those that are distinct and can be sold separately or arise from legal rights. Intangible assets acquired as part of a business combination are capitalised at fair value at the date of acquisition. Intangible assets purchased separately are capitalised at cost.

The cost of intangible assets is amortised and charged to the consolidated statement of profit or loss on a straight-line basis over their estimated useful lives as follows:

Brands	5-20 years
Customer relationships	5-12 years
Technology	5-10 years
Software & Content	2-5 years

Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

Website development costs relating to websites we control and which are revenue generating are capitalised when meet the intangible asset recognition criteria and amortised over two to five years. Development costs relating to websites which are not revenue generating are taken immediately to the consolidated statement of profit or loss. Other operating expenses related to website functioning such as selling, administrative and other general overhead expenditure are recognised as an expense as incurred.

Where no internally generated intangible asset can be recognised, development expenditure is charged to the consolidated statement of profit or loss in the period in which it is incurred. The Group only capitalises internally generated costs from the configuration and capitalisation of software as a service ("SaaS") projects when it is able to obtain economic benefits from the activities independent from the SaaS solution itself.

Impairment reviews
Goodwill and acquired intangible assets with an indefinite life are allocated to cash generating units (CGU's) and tested for impairment at least annually or when there is an indicator that the asset may be impaired. Finite life intangible assets are assessed for impairment triggers and where an indicator exists a test for impairment is performed. The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the terminal year.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

Previously recognised impairment losses are only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal must not exceed the carrying amount, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises expenditure directly attributable to the purchase of the asset.

Assets are depreciated to their estimated residual value, on a straight-line basis, over their estimated useful life as follows:

Short Leasehold Property	over the period of the lease
Hardware, Fixtures & Fittings	2-5 years

Estimated useful lives and residual values are reviewed at each reporting date.

An item of property, plant or equipment is written off either on disposal or when there is no expected future economic benefit from its continued use. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of profit or loss in the year the item is derecognised.

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Share-based payments
Certain employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Shares held by the Employee Benefit Trust
The Employee Benefit Trust ("EBT") provides for the issue of shares to Group employees under share incentive schemes. The Company controls the EBT and accounts for the EBT as an extension to the Company in the consolidated financial statements. Accordingly, shares in the Company held by the EBT are included in the consolidated statement of financial position at cost as a deduction from equity.

Financial instruments
Trade investments
Investments in equity instruments are measured at fair value through profit or loss unless or until such time as the Group is deemed to have significant influence or control over the investee, or they are derecognised. When significant influence is obtained, the Group determines its investment in the equity-accounted associate using the fair value approach. Accordingly, the initial valuation includes the sum of the fair value of the initial interest at the date of obtaining significant influence plus the consideration paid for any additional interest.

Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less loss allowances. Loss allowances are calculated for lifetime expected credit losses. Expected credit losses are a probability weighted estimate of credit losses and are calculated based on actual historical credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. The amount of the loss is recognised in the consolidated statement of profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss.

Other receivables include amounts due from customers for pass-through costs principally in relation to the purchase of media on their behalf. These costs comprise amounts paid to external suppliers which are charged directly to clients. The amounts due to external suppliers in these relationships are recognised in other payables.

The Group undertakes the sale of trade receivables, without recourse, to banks to manage the working capital impact of media reimbursables in our high growth Digital Commerce business. Sold trade receivables are derecognised in the consolidated statement of financial position when substantially all of the risks and rewards associated with the assigned receivables are transferred to the bank.

Cash and cash equivalents
Cash and cash equivalents include cash, cash in transit, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined, net of outstanding bank overdrafts.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, and the results are updated to align the accounting policies with the Group. Where the Group's share of losses in an associate exceeds its net investment, the Group ceases to recognise further losses unless an obligation exists for the Group to fund those losses.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost represents purchase cost net of rebates, including attributable overheads, and is determined using either a weighted average cost method or a first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised only when it is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement. If the time value of money has a material effect on quantifying the provision, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance charge.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Leases

Definition of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group leases commercial office space and photocopiers. The Group has elected not to recognise right of use assets and lease liabilities for some leases of low-value assets (including photocopiers). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right of use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation, which is recorded using the straight-line method from the commencement date to the end of the lease term, and impairment losses and adjusted for certain remeasurements of the lease liability. Right of use assets are impaired when there is no expected future economic benefit from its continued use due to the property being vacant, or where the anticipated sublease income is less than the contractual lease payments. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Notes to the financial statements
continued

2. Accounting policies continued

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group has applied the exemption not to recognise right of use assets and liabilities for leases with less than twelve months of lease term.

As a lessor

The Group sub-leases certain of its properties. The right of use assets recognised from the head lease are presented in investment property and measured at fair value. The sub-lease contracts are classified as operating leases under IFRS 16 "Leases". No depreciation is recognised for the right of use assets that meet the definition of investment property.

New and amended accounting standards effective during the year

The amended standards and interpretations to IFRS effective during the year have not had a significant impact on the Group's accounting policies or reporting.

New and amended accounting standards that have been issued but are not yet effective

A number of new or amended standards and interpretations are applicable in future periods but are not expected to have a significant impact on the Group's accounting policies or reporting.

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected.

The areas involving a significant degree of judgement or estimation are set out below and in more detail in the related notes.

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following accounting judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Recognition of associates (Note 18)

The Group has a material investment in Hudson MX Inc. ('Hudson'), a software business providing media buying and media accounting solutions through a SaaS platform. At 31 December 2022, the Group has a total investment of £73.8m representing 8% of the common stock and 86% of the preference stock of the Company. The Group equity accounts for the common stock investment and accounts for the preference stock investment at fair value through profit and loss. The assessment of whether the Group has control or significant influence over Hudson is considered a critical accounting judgement.

Assessment of Control

We have considered whether the nature of the relationship with Hudson, rights under the terms of the common and preference stock investments or any other factors would indicate that Ascential has control over Hudson. We have considered the requirements under IFRS 10 "Consolidated Financial Statements" to assess if the Group exercises control over Hudson during the reporting period and at the reporting date and concluded:

Power over the investee

We have assessed that Ascential cannot exercise power over Hudson due to the lack of ability to direct the relevant activities of Hudson via the limited rights of its passive non-voting board observer seats.

We have assessed that the 10 members of Ascential staff seconded to Hudson in 2022, that supplement the 400 strong team of employees and outsourced contractors, to support the development of Hudson's enterprise-level engagement model do not have the ability to direct the relevant activities of Hudson as they report directly or indirectly to the CEO or management committee of Hudson.

We have assessed that our customary protective veto rights over significant changes to Hudson, including actions which could change the credit risk of the business such as; changes to capital structure, asset disposals, dividend declaration and attraction of external funding are protective in nature and relate to fundamental changes to Hudson that only apply in exceptional circumstances.

In January 2022 we allowed the out-of-money buy-out option Ascential held to acquire Hudson to lapse and we have concluded that the potential rights associated with this option were not substantive and did not give rise to Ascential having power over Hudson.

Exposure or rights to variable returns from its involvement with the investee
We have assessed that the Group is exposed to variable returns, primarily through the common and preference stock equity instruments held during the reporting period.

The ability to use its power over the investee to affect the amount of the investor's returns
We have concluded that although the Group has exposure to the variable returns from the investment, it does not have actual or potential rights to direct the relevant activities of Hudson and therefore the Group does not have power over the investment.

In 2022, we increased loan note funding to Hudson to £42.7m (including accrued interest) accounted as a financial asset in non-current other receivables. The loan notes were provided on an arm's length basis, without conversion or equity rights, repayable on a fixed term and at a market rate of interest. The increase in funding does not change our determination of control under IFRS 10 as the terms are comparable to those that Hudson would be able to obtain from an institutional lender given the risk profile and life cycle of the business. Our continued funding in 2022 to Hudson has helped protect the underlying investment in the business.

We have therefore concluded that Ascential's investment in Hudson does not meet the definition of control as at 31 December 2022.

Assessment of Significant Influence
We have considered the requirements of IAS 28 "Investments in Associates and Joint Ventures" to determine whether Hudson should be treated as an equity accounted associate or as a trade investment. This decision is determined by our assessment of ability (or otherwise) to participate in the financial and operating policy decisions of Hudson.

Ascential hold 8% of the common stock of Hudson and has limited voting rights (restricted to 19.9%) over the appointment of preference holder board representatives, which are below the 20% voting threshold set out in IAS 28. We have assessed the other factors that demonstrate our ability to participate in the financial and operating policy decisions of Hudson that in our judgement demonstrate that we had significant influence in the year. These include:

(i) Our right for up to two passive board observer seats to attend the Hudson board,
(ii) Our protective veto rights over certain activities including dividends and future debt funding,
(iii) The presence of material funding between Ascential and Hudson including the provision of secured and unsecured loan note funding totalling £42.7m that provides financial support to further the development of the Hudson MX platform and continues to protect Ascential's investment; and
(iv) The presence of ten secondees including two holding senior management positions that report directly to the Hudson CEO or management committee.

We have concluded that Ascential's common stock investment therefore meets the requirements to equity account for our holding in Hudson as at 31 December 2022. If it were to be determined that Ascential did not hold significant influence over Hudson the impact would be to reverse the previously recognised losses and hold the common stock at fair value. We determine this would result in a £3.8m increase to both the results of Ascential and the investment held on the balance sheet and the Directors are satisfied this is not material to the financial statements..

Key sources of estimation uncertainty

Initial recognition of goodwill and intangible assets in business combinations
When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. Accounting for a business combination requires a valuation of identifiable intangible assets such as brands, customer relationships and technology assets for purchase price allocation purposes. It is based on a number of estimates, as follows:

- Acquired brands and certain technology assets are valued using the relief-from-royalty method. It assumes an estimation of future revenues generated by the business during the economical life of the asset and evaluation of a royalty rate that an acquirer would pay in an arm's length licensing arrangement to secure access to the same rights. The theoretical royalty payments are discounted with tax amortisation benefit applied to obtain the cash flows used to determine the asset value. Forecasted revenue and royalty rate are subject to significant level of estimation uncertainty.
- Acquired customer relationships are valued using the multi-period excess earnings method. It starts with the total expected income streams for a business, or a group of assets as a whole and then deducts charges for all the other assets used to generate income. Residual income streams are discounted, and a tax amortisation benefit is applied. The method requires an estimation of revenue to be generated by acquired business, customers attrition and discount rates. Forecasted revenue and customers attrition rate are subject to significant level of estimation uncertainty.
- Content and certain technology assets are valued using a depreciated replacement cost method. It requires an estimation of all costs a market participant would incur to generate an exact replica of the intangible asset in the context of the acquired business. The depreciated replacement cost method takes into account factors including economic and technological obsolescence.

In establishing the fair value, the Group considers, for each acquisition and each asset or liability, the complexity of the calculations,

Notes to the financial statements
continued

3. Critical accounting judgements and estimates continued

the sources of estimation uncertainty and the risk of such estimations resulting in a material adjustment to the carrying amounts of assets and liabilities in the following reporting period. Note 16 explains the impact these estimates have on the assets recognised under business combinations made in 2022.

Measurement of associates

Investment in Hudson comprises common stock and preference shares. The common stock we own is accounted for by applying equity accounting under IAS 28 ("Investments in Associates and Joint Ventures"), including recording our share of the results of Hudson in proportion to our common stockholding. The carrying value of our equity-accounted balance has been reduced to nil (31 December 2021: £0.5m) as a result of our 8% share of Hudson losses in 2022, totalling £2.7m. All further losses over and above those taken to reduce the carrying value of the common stock portion to nil are recorded against the value of preference stock.

The attributes of the preference stock we hold meet the attributes of a financial instrument measured at fair value through profit and loss under IFRS 9 ("Financial Instruments"). The fair value is assessed at each reporting date, with any revaluation recorded through the consolidated income statement. This preference stock forms part of the long-term investment in Hudson and total £73.8m at 31 December 2022.

Valuation of investment in Hudson preference shares is subject to an estimation and informed by unobservable data points, including the external market evidence and Hudson's shareholding restructuring taking place February 2023 on an arm's length basis with a market participant. An assessment of the sensitivity of the valuation indicated that a 5% increase / decrease in the equity valuation of Hudson would not materially affect the value of our investment on 31 December 2022. Further information on the accounting for Hudson investment is available in Note 18.

Valuation of deferred and contingent consideration and acquisition-related employment costs

Where an acquisition agreement provides for an adjustment to the consideration, contingent on future performance over the contractual earn-out period, the Group accrues the fair value, based on the estimated additional consideration payable as a liability at acquisition date. To the extent that deferred contingent consideration is payable as part of the acquisition cost and is payable after one year from the acquisition date, the deferred consideration is discounted at an appropriate discount rate and carried at fair value in the consolidated statement of financial position. The liability is measured against the contractually agreed performance targets at each subsequent reporting date with any adjustments recognised in the consolidated income statement.

Acquisition-related employment costs are contingent on future performance of the acquired business against the contractually agreed performance targets over the earn-out period but are also dependent on the continued employment of the founders over the contractual earn-out period. Consequently, they are treated as a remuneration expense and recognised as such in the consolidated income statement.

The estimation of the likely liability requires the Group to make judgements concerning the future performance of related business over both the deferred and contingent consideration period. The estimation uncertainty risk of payments greater than one year is higher to due to the forecast nature of the inputs. Further information on the magnitude of the estimation uncertainty attached to the valuation of deferred and contingent consideration and acquisition-related employment costs is available in Note 22.

Goodwill and acquired intangibles recoverable amount (Note 16)

The Group has £711.1m (2021: £603.6m) of goodwill and £201.0m (£242.2m) of acquired intangible assets. Goodwill, Indefinite useful life intangible assets and intangible assets not yet available for use are tested annually for impairment and more frequently when indicators of impairment arise. Finite life intangible assets are assessed for impairment triggers and where an indicator exists a test for impairment is performed. Recoverable amount is the higher of value-in-use or fair value less costs of disposal. Determination of these amounts is based upon multiple estimates, including a forecast of future cash flows, cash conversion and EBITDA growth; the appropriate discount rates and terminal growth rates. Further information is available in Note 16.

4. Operating Segments

The Group has four reportable segments that are used to present information to the Board (Chief Operating Decision Maker) on a monthly basis. End market risks and opportunities vary and capital allocation decisions are made on the basis of those four reportable segments, namely Digital Commerce, Product Design, Marketing and Retail & Financial Services. The reportable segments offer different products and services and are managed separately as a result of different capabilities, technology, marketing strategies and end market risks and opportunities. The following summary describes the continuing operations in each of the Group's reportable segments:

- Digital Commerce: measurement, optimisation and execution for digital commerce growth
- Product Design: consumer product trend forecasting, data and insight to create world-class products and experiences
- Marketing: events, services and tools to measure and optimise marketing creativity, media and platform effectiveness and efficiency
- Retail & Financial Services: events, data and tools to improve performance and drive innovation in retail and financial services

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an Adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Corporate costs as reported in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Year ended 31 December 2022

(£ million)	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate costs	Continuing operations	Discontinued operations	Total
Revenue	226.1	107.1	99.2	92.0	–	524.4	–	524.4
Adjusted EBITDA	21.2	49.1	40.1	31.6	(20.9)	121.1	–	121.1
Depreciation and software amortisation	(17.8)	(3.3)	(2.6)	(0.9)	(1.1)	(25.7)	–	(25.7)
Adjusted operating profit/(loss)	3.4	45.8	37.5	30.7	(22.0)	95.4	–	95.4
Amortisation of acquired intangible assets and impairment						(91.6)	–	(91.6)
Profit on disposal of business						6.0	–	6.0
Non-trading items						(88.1)	(0.9)	(89.0)
Share-based payments						(15.9)	–	(15.9)
Operating loss						(94.2)	(0.9)	(95.1)
Share of the loss of associates						(3.2)	–	(3.2)
Finance costs						(27.1)	–	(27.1)
Finance income						8.4	–	8.4
Loss before tax						(116.1)	(0.9)	(117.0)

Notes to the financial statements
continued

4. Operating Segments (continued)

Year ended 31 December 2021

(£ million)	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate costs	Continuing operations	Discontinued operations	Total
Revenue	147.3	91.3	56.5	54.2	–	349.3	49.3	398.6
Adjusted EBITDA	31.1	41.3	25.6	10.9	(20.0)	88.9	16.0	104.9
Depreciation and software amortisation	(10.0)	(2.9)	(3.0)	(1.8)	(1.8)	(19.5)	(0.3)	(19.8)
Adjusted operating profit/(loss)	21.1	38.4	22.6	9.1	(21.8)	69.4	15.7	85.1
Amortisation of acquired intangible assets and impairment						(31.9)	(2.7)	(34.6)
Profit on disposal of business						–	259.4	259.4
Non-trading items						(55.8)	(6.0)	(61.8)
Share-based payments						(8.4)	(0.7)	(9.1)
Operating profit/(loss)						(26.7)	265.7	239.0
Share of the loss of associates						(2.5)	–	(2.5)
Finance costs						(20.1)	–	(20.1)
Finance income						9.7	–	9.7
Profit/(loss) before tax						(39.6)	265.7	226.1

Non-trading items within continuing operations of £88.1m (2021: £55.8m) include £51.1m (2021: £36.6m), £nil (2021: £0.1m), £nil (2021: £nil), £nil (2021: £nil) and £37.0m (2021: £19.1m) which are attributable to Digital Commerce, Product Design, Marketing, Retail & Financial Services and Corporate costs respectively. Finance costs, finance income, share of net profit in equity accounted investees and share-based payments are not allocated to segments, as these types of activity are driven by the Group corporate function.

Revenue and non-current assets by location

The revenue analysis is based on the location of customers. Non-current assets analysis is based on geographical location of the business.

	Revenue		Non-current assets*	
(£ million)	**2022**	2021	**2022**	2021
United Kingdom	**55.8**	42.8	**323.1**	356.2
Other Europe	**75.6**	57.1	**89.6**	85.0
United States and Canada	**272.8**	176.4	**557.8**	466.3
China	**39.8**	24.4	**77.8**	73.7
Asia Pacific excluding China	**49.4**	25.1	**52.2**	–
Middle East and Africa	**10.7**	8.9	**–**	–
Latin America	**20.3**	14.6	**10.6**	7.7
Total	**524.4**	349.3	**1,111.1**	988.9

* Non-current assets exclude deferred tax assets of £60.3m (2021: £57.7m).

Additional segmental information on revenue

The Group's revenue is derived from contracts with customers.

The Group does not have any customers from whom revenue exceeds 10% of total revenue. Included in revenue is barter revenue arising from the exchange of goods or services of £0.9m for the year ended 31 December 2022 (2021: £0.8m).

Disaggregation of revenue

The following table shows revenue disaggregated by major service lines, and the timing of revenue recognition:

(£ million)	Timing of revenue recognition	2022	2021
Digital Subscriptions & Platforms	Over time	**213.9**	136.2
Advisory	Over time	**12.2**	11.1
Digital Commerce		**226.1**	147.3
Digital Subscriptions & Platforms	Over time	**95.9**	81.9
Advisory	Over time	**11.2**	9.4
Product Design		**107.1**	91.3
Digital Subscriptions & Platforms	Over time	**23.9**	18.2
Advisory	Over time	**5.2**	3.7
Events and Benchmarking Awards	Point in time	**70.1**	34.6
Marketing		**99.2**	56.5
Digital Subscriptions & Platforms	Over time	**6.3**	10.8
Advisory	Over time	**2.3**	2.7
Events and Benchmarking Awards	Point in time	**83.4**	40.7
Retail & Financial Services		**92.0**	54.2
Revenue from continuing operations		**524.4**	349.3

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(£ million)	2022	2021
Receivables, which are included in trade and other receivables	**112.1**	91.2
Contract assets – accrued income	**18.4**	17.4
Contract liabilities – deferred income	**117.3**	101.0

Out of the amount of the £101.0m included in contract liabilities at 31 December 2021, £100.3m has been recognised as revenue in the current year.

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5. Operating profit

Amounts charged in arriving at continuing operating profit include:

(£ million)	Note	2022	2021
Employee costs	7	**271.0**	190.6
Depreciation and software amortisation		**25.7**	19.5
Amortisation of acquired intangible assets and impairment	6	**91.6**	31.9
Impairment losses on trade receivables and contract assets	20	**6.6**	3.1

Fees paid to the auditor were as follows:

(£ million)	2022	2021
Included in Adjusted results		
Fees paid to auditor for audit of the consolidated financial statements	**1.3**	1.0
Fees paid to auditor for audit of the Group's subsidiaries* – other	**0.2**	0.2
Fees paid to auditor for audit-related assurance services**	**0.1**	0.1
Total	**1.6**	1.3
Included in Adjusting items		
Fees paid to auditor for audit of the Group's subsidiaries – Digital Commerce separation*	**2.8**	–
Fees paid to auditor for audit-related assurance services**	**0.1**	–
Total	**2.9**	–
Total		
Fees paid to auditor for audit of the consolidated financial statements	**1.3**	1.0
Fees paid to auditor for audit of the Group's subsidiaries – Digital Commerce separation*	**2.8**	–
Fees paid to auditor for audit of the Group's subsidiaries* – other	**0.2**	0.2
Fees paid to auditor for audit-related assurance services**	**0.2**	0.1
Total	**4.5**	1.3

* Fees include costs for the PCAOB audit of the standalone US GAAP Digital Commerce business for 2020 (£0.2m), 2021 (£1.5m) and 2022 (£1.1m).

** Audit-related assurance services relate to the review of the half-year interim statements £0.1m (2021: £0.1m) and Digital Commerce separation-related other costs £0.1m (2021: nil).

Details of the Company's policy on the use of the auditor for non-audit related services, the reason why the auditor was used and how the auditor's independence was safeguarded are set out on page 112.

6. Adjusting items

Adjusting items are those which are considered significant by virtue of their nature, size or incidence and are presented separately in the consolidated statement of profit and loss to provide a greater insight into the Group's financial performance. Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other companies' financial statements and should not be viewed in isolation but as supplementary information. Adjusting items aim to facilitate a comparative understanding of the Group's financial performance from period to period by removing the effect of share-based payment charges, amortisation of intangibles acquired through business combinations, impairment and non-trading items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring. The tax effect of Adjusting items is also included within Adjusting items (see Note 10).

Adjusting items included in continuing operating profit/(loss) are:

(£ million)	Note	2022	2021
Revaluation of deferred contingent consideration	22	**1.0**	5.2
Acquisition–related employment costs recognised in the period	22	**30.4**	24.7
Deferred consideration costs		**31.4**	29.9
ERP and Salesforce implementation		**21.6**	16.9
Strategic review costs		**15.0**	2.8
Transaction and integration costs		**9.4**	6.2
Costs associated with the Digital Shelf pivot		**6.8**	–
Profit on disposal of businesses	15	**(6.0)**	–
Property impairments and provisions		**3.9**	–
Non-trading items		**82.1**	55.8
Amortisation of acquired intangible assets	16	**34.6**	31.9
Impairment of Edge Digital Shelf and ASR	16	**57.0**	–
Share-based payments	8	**15.9**	8.4
Adjusting items in operating profit/(loss)		**189.6**	96.1
Remeasurement of trade investments to fair value	9	**4.0**	(7.8)
Covenant amendment costs		**–**	0.8
Foreign exchange on deferred consideration		**1.3**	–
Share of the loss of joint ventures		**0.6**	0.1
Adjusting items in profit/(loss) before tax from continuing operations		**195.5**	89.2

The revaluation of deferred contingent consideration in the year relates to updates to actual or expected performance for all recent acquisitions with deferred consideration. Acquisition-related employment costs incurred in the year of £30.4m (2021: costs £24.7m) relate primarily to that element of the purchase consideration for acquisitions. Under the sale and purchase agreements, between 25% and 100% of deferred payments are contingent on not only the results of the business in the post-acquisition period but also the continued employment of the founders. The revaluation of deferred consideration of £1.0m relates to the upwards revaluation of £16.4m in relation to five earnouts, offset by the downwards revaluation of five of the deferred consideration arrangements of £15.4m, based on the current and future expected performance of the businesses. Foreign exchange on deferred consideration of £1.3m (2021: £nil) has been included as an adjusting item. The related net tax impact is a credit of £5.8m in 2022. The cash impact of the related deferred contingent consideration charges is explained in Note 22.

The Group is undertaking a multi-year programme to implement a new ERP to replace the current Oracle system introduced in 2007 and a new instance of Salesforce, both of which are cloud-based. The implementation costs are subject to the recent IFRIC agenda decision relating to IAS 38 and accordingly are now required to be expensed. Costs relating to this programme totalling £21.6m (31 December 2021: £16.9m) have been expensed, and given the materiality and once-in-a-decade nature, have been recorded as non-trading items. These expenses are deductible for tax purposes and generate a net tax credit of £4.1m.The programme is anticipated to be completed in 2023. The cash impact of these costs is an outflow of £22.4m.

A significant non-trading item in 2022 was the costs of the strategic review totalling £15.0m (31 December 2021: £2.8m), the results of which were announced in January 2023. The costs relate to resources and professional fees for project management, tax, US GAAP Conversion and audit, and legal advice as well as severance and retention incentives for key personnel impacted by the proposed separation of the Group. The related net tax impact is a credit of £0.9m. The cash impact of these costs is an outflow of £11.8m.

Transaction and integration costs totalling £9.4m (2021: £6.2m) comprise professional fees for diligence and legal costs as well as the costs of integrating acquisitions which is a significant workstream within Digital Commerce given the seven acquisitions made in 2021 with two further acquisitions in 2022. Transaction costs are generally non-deductible for tax purposes, whilst integration costs give rise to a tax credit of £1.0m. The cash impact of these costs is an outflow of £11.5m.

The profit on disposal of businesses of £6.0m (2021: £nil within continuing operations) includes the profit on disposal of Ascential's investment in Analytic Index (accounted for as an associate) of £5.0m and Retail Week World Retail Congress, ("RWRC") of £1.0m. Profit on disposals of BEP and Medialink in 2021, totalling £226.1m and £33.3m respectively, were classified within discontinued operations at 31 December 2021. The Group received net cash inflows of £5.9m in relation to these items.

Costs in relation to property impairments and provisions in 2022 of £3.9m (2021: £nil) reflect impairments of right of use assets and leasehold improvements and the creation of provisions for operating expenses that were onerous following a reassessment of the Group's property requirements. These costs are non-deductible for tax accounting purposes and had no cash impact on the Group in 2022.

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6. Adjusting items continued

Impairment charges totalling £57.0m have been recorded in 2022 driven by an impairment charge of £31.4m (31 December 2021: £nil) recognised in Edge and an impairment charge of £25.6m (31 December 2021: £nil) recognised in the ASR CGU.

The impairment charge in Edge is driven by the decline in profitability of the Digital Shelf offering and the announcement of the Digital Shelf Pivot. These impairment costs give rise to a deferred tax credit of £2.9m for tax accounting purposes and had no cash impact on the Group.

As part of our year-end impairment review process, we identified an indicator of impairment within the ASR business. The indicator was triggered by ongoing action by Amazon to reduce both the media inventory and commission rate for its on-site review product (the OSP product). This is the only product that ASR offers in the Digital Commerce business where Ascential is a cost, rather than a revenue stream, to Amazon. While our original acquisition plans accounted for the risk of a reduction in the income from Amazon for this OSP product over the period of five years, it has become increasingly evident during the second half of 2022 that the OSP product is deprecating faster than we originally projected. These impairment costs give rise to a deferred tax credit of £6.7m for tax accounting purposes and had no cash impact on the Group.

The charge for share-based payments of £15.9m (2021: £8.4m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. As explained in the Alternative Performance Measures section, the Group treats share-based payments as an Adjusting item because they are a significant non-cash charge driven by a valuation model that references Ascential's share price and so is subject to volatility rather than referencing operational activity. Share-based payment expenses give rise to a tax credit of £2.1m to income statement net of a £2.8m charge through equity. The cash impact of share schemes on the Group is nil.

Remeasurement of trade investments to fair value of £4.0m (2021: £7.8m income) relate to the revaluation of the investment in Infosum (Note 18). These costs give rise to a deferred tax credit of £1.0m for tax accounting purposes and do not give rise to a cash impact on the Group. Covenant amendment costs of £nil (2021: £0.8m) related to a fee for Covid-related covenant amendments of the Group's debt facility (Note 9).

7. Employee information and Directors' remuneration

(a) Employee costs including Directors

(£ million)	Note	2022	2021
Wages and salaries		**224.4**	182.9
Social security costs		**24.6**	18.9
Defined contribution pension cost		**5.3**	4.4
Redundancy costs		**0.8**	0.9
Share-based payments and associated employment taxes	8	**15.9**	9.1
Total		**271.0**	216.2

The total employee costs for continuing operations amounted to £271.0m (2021: £190.6m). The total employee costs for discontinuing operations amounted to £nil (2021: £25.6m). Average employee cost per employee for continuing operations was £76,000 (2021: £79,000).

(b) Retirement benefits

The Group operates a defined contribution pension scheme in the United Kingdom and in certain other countries. The assets of the scheme are held by independent custodians and are kept entirely separate from the assets of the Group. The pension charge represents contributions due from the employer. During 2022 the total Group charge amounted to £5.3m (2021: £4.4m). At 31 December 2022 there were £0.9m of contributions outstanding (2021: £0.8m).

(c) Average monthly number of employees including Directors

(i) By geographical region

	2022	2022	2021	2021
	Continuing	**Discontinued**	Continuing	Discontinued
United Kingdom	**981**	**–**	898	20
United States and Canada	**1,053**	**–**	675	122
China	**816**	**–**	469	–
Asia Pacific excluding China	**349**	**–**	80	1
Rest of the world	**389**	**–**	279	1
Total	**3,588**	**–**	2,401	144

(ii) By segment

	2022 Continuing	2022 Discontinued	2021 Continuing	2021 Discontinued
Digital Commerce	**2,343**	**–**	1,246	–
Product Design	**508**	**–**	447	–
Marketing	**301**	**–**	240	–
Retail & Financial Services	**162**	**–**	162	–
Corporate*	**274**	**–**	306	–
Built Environment & Policy	**–**	**–**	–	131
MediaLink	**–**	**–**	–	13
Total	**3,588**	**–**	2,401	144

* Includes all employees working in support functions irrespective of the segments they support.

(d) Remuneration of Directors and key management personnel

The aggregate emoluments for key management are set out below:

(£ million)	2022	2021*
Salaries, bonus and other short-term employee benefits	**3.0**	3.9
Share-based payments	–	1.3
Total	**3.0**	5.2

* 2021 number has been restated to include both the 2021 bonus of £1.8m, which was determined post year-end, and a £1.3m buyout award relating to the Chief Operating Officer.

During the years ended 31 December 2022 and 2021, no Directors were members of the Group's defined contribution pension scheme. Retirement benefits were not accrued for any Director at 31 December 2022 or 2021. The total gains on the exercise of share options by the Directors amounted to £1.3m (2021: £0.6m).

Further details of the Directors' remuneration and share options are set out in the Remuneration Report on pages 116 to 132. Key management personnel comprised the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Non-Executive Directors of the Group.

8. Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (equity-settled transactions).

Analysis of charge to the consolidated statement of profit or loss on continuing operations:

(£ million)	2022	2021
Share Incentive Plans ("SIP")	**1.4**	0.6
Sharesave Scheme ("Sharesave")	**0.8**	0.7
Deferred Annual Bonus Plan ("DABP")	**0.3**	0.1
Performance Share Plans ("PSP")	**7.9**	5.3
Restricted Share Plan ("RSP")	**5.5**	1.7
Total charge for continuing operations	**15.9**	8.4

The total share-based payment charge (continuing and discontinuing operations) for the year ending 31 December 2022 was £15.9m (2021: £9.1m) of which £15.9m relates to continuing operations (2021: £8.4m continuing operations and £0.7m discontinuing operations).

In 2022, the gross share-based payment expense is £16.7m (2021: £8.4m), offset by a credit of £0.8m (2021: charge of £0.7m) due to the movement in provision for employment taxes as a result of reduction in share price from the prior year. This is reflected within the Consolidated Statement of Profit and Loss, with £16.7m reflected in the Consolidated Statement of Changes in Equity.

Notes to the financial statements
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8. Share-based payments continued

The number and weighted average exercise price of outstanding and exercisable share options and share awards are detailed below:

	2022		2021	
	Number of shares/ options 000s	**Weighted average exercise price £**	Number of shares/ options 000s	Weighted average exercise price £
Outstanding at 1 January	**17,334**	**0.31**	12,130	0.47
Granted	**5,722**	**0.72**	9,148	0.18
Options exercised or shares vested	**(2,167)**	**0.11**	(1,957)	0.39
Surrendered or expired	**(1,023)**	**2.63**	(605)	1.63
Lapsed	**(2,811)**	**–**	(1,382)	–
At 31 December	**17,055**	**0.40**	17,334	0.31

	2022	2021
Weighted average fair value per share/option granted during the year (£)	**1.99**	4.05

At 31 December 2022 the market price was £2.02 (2021: £4.02) and the average share price for 2022 was £2.75 (2021: £3.91).

At 31 December 2022 of the 17,055,000 shares/options, 16,133,000 either had no exercise cost or an exercise price below market price, the remaining 922,000 (2021: nil) share options had exercise price above market price. The shares awarded under the SIP do not require additional payment from the participant to vest.

For the Sharesave plan, the range of exercise prices for share options outstanding at 31 December 2022 was £1.69 to £3.33 (2021: £2.30 to £3.59). For the DABP, PSP and RSP plans, all share options outstanding at 31 December 2022 had an exercise price of £nil (2021: £nil) or were conditional share awards which do not require additional payment from the participant to vest.

For share awards and options outstanding at 31 December 2022, the weighted average remaining contractual life was 1.65 years (2021: 1.76 years).

Measurement of fair values

The SIP, PSP, RSP, Sharesave and DABP awards are equity-settled plans, the fair value of which is determined at the date of grant and is not subsequently remeasured unless conditions on which the award was granted are modified.

The SIP, PSP and RSP awards granted in the year have no market performance conditions associated with them and so fair value is deemed to be the share price at the date of grant. The fair value of the Sharesave awards has been measured using the Black-Scholes model. Expected volatility is usually measured over a three year period immediately prior to the date of the grant. The principal assumptions required by these methodologies for 2022 awards were:

	Sharesave	Sharesave (US)
Expected life	3 years	2 years
Risk free interest rate	4.31%	4.06%
Expected volatility	46%	46%
Expected dividend yield	0%	0%

Additional information about share-based payments

a) Share Incentive Plan

In 2016, the Group established the Employee Share Incentive Plan and International Employee Free Share Plan (collectively known as the "SIP") which enables employees to acquire shares of the Company, subject to service conditions. Free shares awarded to UK employees are held by an Employee Benefit Trust for the maturity period of three years. Conditional awards and cash equivalent awards granted to international employees also have a three year maturity period. In 2022, the Group did not make any awards under the SIP (2021: 1,660,400).

b) Sharesave Plan

In 2016, the Group established the Employee Savings Related Share Option Plan, the International Savings Related Share Option Plan and the US Stock Purchase Plan (collectively known as the "Sharesave Plan") under which employees enter into a savings contract and are granted options to acquire shares of the Company, subject to service conditions.

In 2022, the Group granted 2,281,000 (2021: 489,000) options under the Sharesave Plan to qualifying employees. Under the UK and International plans, the options vest after three years and are exercisable for a six-month period. Under the US plan, they vest after two years and are exercisable for a three-month period.

c) Deferred Annual Bonus Plan
Under the Deferred Annual Bonus Plan ("DABP") a portion of Executive Directors' annual bonus earned is deferred mandatorily into a share award, vesting after a three-year period. Awards are structured either as a nil-cost option or a conditional share award. During the year ended 31 December 2022, the Group granted conditional share awards over 365,000 shares under the DABP (2021: nil).

d) Performance Share Plan
In 2016, the Group established the Executive Performance Share Plan ("PSP"), under which key management personnel and other senior employees can be granted conditional awards, share options or a cash alternative. Awards can be granted with or without performance conditions. Where performance conditions have been set, they are either subject to a Total Shareholder Return ("TSR") market performance condition, a revenue or profit non-market performance condition or a combination of both. Executive Directors are required to hold their shares (net of taxes) for a further two year period after vesting.

During the year ended 31 December 2022, the Group granted conditional share awards over 2,585,000 (2021: 4,807,000) shares under the PSP. None of the share awards granted during the year are subject to a market performance condition. 1,060,000 (2021: 3,532,000) shares are subject to a revenue or non-market profit performance condition and 1,525,000 (2021: 1,274,000) shares are not subject to additional performance criteria beyond service conditions.

e) Restricted Share Plan
In 2019, the Group established the Ascential Restricted Share Plan ("RSP"), under which certain employees can be granted nil-cost option awards and/or contingent share awards. Executive Directors are not eligible to receive awards under the RSP. Awards under the RSP are satisfied with market purchased shares and can be granted with or without performance conditions. Awards that have been issued to date are not subject to market performance conditions. During the year ended 31 December 2022, the Group granted conditional share awards over 490,000 shares under the RSP (2021: 2,192,000).

9. Finance costs and finance income

(£ million)	Note	2022	2021
Interest on deposits and investments		**3.6**	2.5
Fair value gain on derivative financial instruments		**4.3**	0.2
Foreign exchange gain		**0.5**	–
Adjusted finance income		**8.4**	2.7
Interest payable on external borrowings	23	**(9.6)**	(8.6)
Amortisation of arrangement fees		**(0.8)**	(0.9)
Discounting of contingent and deferred consideration	22	**(10.3)**	(9.0)
Discount unwind of lease liability	28	**(1.1)**	(1.0)
Foreign exchange loss		**–**	(0.6)
Adjusted finance costs		**(21.8)**	(20.1)
Foreign exchange on deferred consideration	22	**(1.3)**	–
Covenant amendment costs		**–**	(0.8)
Remeasurement of trade investments to fair value	18	**(4.0)**	7.8
Adjusting finance (costs) / income		**(5.3)**	7.0
Net finance costs from continuing operations		**(18.7)**	(10.4)

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10. Taxation

Current tax

The tax charge for the year on continuing operations comprises:

(£ million)	2022	2021
Current tax		
UK current tax credit on income for the year	**(7.8)**	(0.2)
Overseas current tax charge on income for the year	**3.0**	2.8
Adjustments in respect of prior years	**0.3**	1.2
Total current tax (credit)/charge	**(4.5)**	3.8
Deferred tax		
Current year charge/(credit)	**(5.9)**	(2.3)
Adjustments in respect of prior years	**(0.7)**	(3.3)
Impact of rate changes on opening balances	**(0.2)**	0.2
Total deferred tax charge/(credit)	**(6.8)**	(5.4)
Total tax credit from continuing operations	**(11.3)**	(1.6)
Total effective tax rate	**10%**	4%

The difference between the tax as credited in the consolidated statement of profit or loss and tax at the UK standard rate on continuing operations is reconciled below:

	2022			2021		
(£ million)	**Adjusted profit/tax**	**Adjusting items/tax**	**Total profit/tax**	Adjusted profit/tax	Adjusting items/tax	Total profit/tax
Profit/(loss) before tax	**79.4**	**(195.5)**	**(116.1)**	49.6	(89.2)	(39.6)
Expected tax charge/(credit) at the UK standard rate of 19%	**15.2**	**(37.2)**	**(22.0)**	9.4	(16.9)	(7.5)
Tax effects of:						
Higher overseas tax rates	**3.9**	**0.3**	**4.2**	1.7	0.8	2.5
Trading losses not recognised for deferred tax purposes	**0.7**	**0.5**	**1.2**	0.8	–	0.8
Write off of previously recognised tax losses	**–**	**–**	**–**	0.5	–	0.5
Non-deductible expenditure	**1.7**	**4.5**	**6.2**	1.3	5.1	6.4
UK enhanced capital allowances	**(0.3)**	**–**	**(0.3)**	(0.3)	–	(0.3)
Non-taxable income	**–**	**–**	**–**	(0.1)	(2.0)	(2.1)
Taxable disposals	**–**	**0.7**	**0.7**	–	–	–
Rates changes	**(0.2)**	**(0.7)**	**(0.9)**	(3.0)	3.2	0.2
Adjustments in respect of prior years	**–**	**(0.4)**	**(0.4)**	(2.1)	–	(2.1)
Total tax charge/(credit) for the year	**21.0**	**(32.3)**	**(11.3)**	8.2	(9.8)	(1.6)
Effective tax rate	**26%**	**17%**	**10%**	17%	11%	4%

During 2022 the following amounts were recognised in equity relating to share-based payments and foreign exchange movements:

(£ million)	2022	2021
Deferred tax charge related to share based payments	**2.8**	1.5
Tax charge/(credit) related to foreign exchange movements	**14.4**	(0.1)
Total charge recognised in equity	**17.2**	1.4

The Group is subject to many different forms of taxation including, but not limited to, income and corporation tax, withholding tax and value added and sales taxes. The Group has operations in 22 countries and multiple states in the US and sells its products and services into more than 100 countries. Furthermore, the Group renders and receives cross-border supplies and services in respect of affiliated entities which exposes the Group to tax risk due to transfer pricing rules that apply in many jurisdictions.

Deferred tax

The deferred tax balances shown in the consolidated statement of financial position are analysed as follows:

(£ million)	**2022**	2021
Deferred tax assets	**60.3**	57.7
Deferred tax liabilities	**(8.6)**	(6.5)
Total	**51.7**	51.2

In presenting its deferred tax balances, the Group offsets assets and liabilities to the extent it has a legally enforceable right to set off the arising current tax liabilities and assets when those deferred tax balances reverse and income taxes are levied by the same tax authorities.

The major deferred tax assets and liabilities recognised by the Group, and the movements in the year, are set out below:

(£ million)	Non–deductible intangible assets	US deductible intangible assets	Share–based payments	Property, plant and equipment	Tax losses	Other	Total
At 1 January 2021	(19.5)	28.6	2.3	6.7	28.9	5.8	52.8
Credit/(charge) to the consolidated statement of profit or loss	3.1	0.2	1.2	(1.4)	(1.4)	(1.6)	0.1
Credit to equity	–	–	(1.4)	–	–	–	(1.4)
Impact of rate changes	(3.6)	–	0.4	0.7	2.4	(0.1)	(0.2)
Adjustments in respect of prior years	–	–	–	0.4	2.4	0.5	3.3
Foreign exchange movements	(0.1)	(0.1)	–	(0.1)	(0.1)	–	(0.4)
Acquisitions	(6.1)	–	–	–	1.3	–	(4.8)
Discontinued operations	0.1	2.2	–	–	–	(0.5)	1.8
At 1 January 2022	**(26.1)**	**30.9**	**2.5**	**6.3**	**33.5**	**4.1**	**51.2**
Credit/(charge) to the consolidated statement of profit or loss	**6.5**	**6.1**	**2.0**	**(2.8)**	**(7.0)**	**1.1**	**5.9**
Charge to equity	**–**	**–**	**(2.8)**	**–**	**–**	**–**	**(2.8)**
Tax effect of items charged directly to equity	**–**	**–**	**–**	**–**	**(3.3)**	**(1.6)**	**(4.9)**
Reclassification	**–**	**–**	**–**	**–**	**1.1**	**(1.1)**	**–**
Impact of rate changes	**–**	**–**	**–**	**0.2**	**–**	**–**	**0.2**
Adjustments in respect of prior years	**–**	**0.4**	**–**	**1.6**	**(0.1)**	**(1.2)**	**0.7**
Foreign exchange movements	**(1.5)**	**4.1**	**–**	**0.6**	**2.3**	**(0.1)**	**5.4**
Acquisitions	**(8.3)**	**–**	**–**	**–**	**4.0**	**–**	**(4.3)**
Discontinued operations	**–**	**–**	**–**	**0.3**	**–**	**–**	**0.3**
At 31 December 2022	**(29.4)**	**41.5**	**1.7**	**6.2**	**30.5**	**1.2**	**51.7**

The above deferred tax balances are expected to reverse as follows:

(£ million)	Non-deductible intangible assets	US deductible intangible assets	Share-based payments	Property plant and equipment	Tax losses	Other	Total
Within 12 months	(3.1)	5.7	0.5	5.6	9.1	–	17.8
After 12 months	(23.0)	25.2	2.0	0.7	24.4	4.1	33.4
At 31 December 2021	(26.1)	30.9	2.5	6.3	33.5	4.1	51.2
Within 12 months	(4.2)	7.6	(1.5)	–	7.8	–	9.7
After 12 months	(25.2)	33.9	3.2	6.2	22.7	1.2	42.0
At 31 December 2022	(29.4)	41.5	1.7	6.2	30.5	1.2	51.7

No deferred tax liability has been recognised in respect of temporary differences associated with investments in subsidiaries as, where tax would arise on the realisation of those temporary differences, the Group is in a position to control the timing of their reversal and it is probable that such differences will not reverse in the foreseeable future.

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10. Taxation continued

Non-deductible intangibles represent the value of the deferred tax liability which arises on the fair value of acquired intangibles which are not deductible for tax purposes. The liability is valued at the tax rate applicable to the jurisdiction where the intangibles are located.

US deductible intangible assets represent the value of deferred tax assets on US tax deductible intangibles and deferred consideration. These deferred tax assets are recognised at a blended US Federal and State tax rate of 26%.

Deferred tax assets have been recognised on the basis that sufficient taxable profits are forecast to be available in the future to enable them to be utilised. Whilst the Group has reported a net loss before tax on continuing operations for this year and the previous year, this has been driven in the main by the non-trading items referred to in Note 6 above which do not form part of the ongoing business of the Group. The Group is already in a net taxable profit in its major jurisdictions and furthermore expects, from a statutory profit perspective, to return to profits in the future such that we are confident in recognition of the deferred tax assets. In assessing these judgements, we use the Group's 5-year forecast, as approved by the Board.

The Group has the following tax losses:

(£ million)	**Recognised 2022**	Recognised 2021	**Unrecognised 2022**	Unrecognised 2021	**Total 2022**	Total 2021
US net operating losses	**80.8**	69.8	**9.7**	3.6	**90.5**	73.4
UK net operating losses	**26.3**	58.9	**–**	–	**26.3**	58.9
UK capital losses	**–**	–	**114.9**	114.9	**114.9**	114.9
Other Rest of World losses	**6.4**	1.3	**23.4**	13.1	**29.8**	14.4
Total	**113.5**	130.0	**148.0**	131.6	**261.5**	261.6

The above losses represent the following value at tax rates applicable at the reporting date:

(£ million)	**Recognised 2022**	Recognised 2021	**Unrecognised 2022**	Unrecognised 2021	**Total 2022**	Total 2021
US net operating losses	**23.1**	19.7	**2.0**	0.7	**25.1**	20.4
UK net operating losses	**6.1**	13.7	**–**	–	**6.1**	13.7
UK capital losses	**–**	–	**28.7**	21.8	**28.7**	21.8
Other Rest of World losses	**1.3**	0.1	**7.2**	3.6	**8.5**	3.7
Total	**30.5**	33.5	**37.9**	26.1	**68.4**	59.6

The Group has recognised tax losses in the US totalling £80.8m (2021: £69.8m) none of which are subject to expiry. Our ability to utilise losses in future years is driven by the level of taxable profits arising in the relevant taxing jurisdictions. In particular, we do not expect to make gains in the future against which our UK capital losses could be utilised as the Group does not typically hold assets which would give rise to UK capital gains.

We are closely monitoring the Organisation for Economic Co-operation and Development's Two Pillar Solution to Address the Tax Challenges arising from the Digitalisation of the Economy, with application for accounting periods ending after 31 December 2023. Based on the current legislation, we do not expect these rules to impact the Group as it does not meet the global revenue threshold for inclusion.

11. Discontinued operations

For the year ended 31 December 2022, there are no entities or segments disclosed as discontinued operations. Costs of £0.9m were incurred during the year in relation to the final disposal costs from the prior year disposals of the Built Environment & Policy segment and MediaLink.

During the year ended 31 December 2021, as part of its growth strategy to focus resources and investment on its strategic priorities, the Group disposed of its non-core segment of Built Environment & Policy (BEP) as well as the MediaLink brand, previously within the Marketing segment.

Included in non-trading items is a gain on disposal of the BEP segment of £226.1m and the gain on disposal of MediaLink of £33.3m, offset by separation costs totalling £0.8m and deferred consideration classified as acquisition–related employment costs of £5.2m.

During the year ended 31 December 2021, discontinued operations generated cash of £6.3m, in respect of operating activities, used £12.9m in respect of investing activities and used £0.2m in respect of financing activities.

(£ million)	2022 Adjusted results	2022 Adjusting items	2022 Total	2021 Adjusted results	2021 Adjusting items	2021 Total
Revenue	–	–	–	49.3	–	49.3
Cost of sales	–	–	–	(24.1)	–	(24.1)
Sales, marketing and administrative expenses	–	–	–	(9.5)	250.0	240.5
Operating profit	–	–	–	15.7	250.0	265.7
Adjusted EBITDA	–	–	–	16.0	–	16.0
Depreciation, amortisation and impairment	–	–	–	(0.3)	(2.7)	(3.0)
Profit on disposal of business	–	–	–	–	259.4	259.4
Non-trading items	–	(0.9)	(0.9)	–	(6.0)	(6.0)
Share-based payments	–	–	–	–	(0.7)	(0.7)
Operating (loss)/profit	–	(0.9)	(0.9)	15.7	250.0	265.7
(Loss)/Profit from discontinued operations	–	(0.9)	(0.9)	15.7	250.0	265.7
Taxation	–	–	–	(4.2)	0.4	(3.8)
(Loss)/Profit from discontinued operations, net of tax	–	(0.9)	(0.9)	11.5	250.4	261.9
Earnings/(loss) per share (basic and diluted, pence)	–	(0.2)	(0.2)	2.8	60.0	62.8

12. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the net profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. Earnings per share has been calculated with respect to total net profit or loss for the year for the Group, continuing operations and discontinued operations (see Note 11).

The weighted average number of ordinary shares in issue during the year, excluding those held by Employee Benefit Trusts, was 440.0m (2021: 417.3m). There is no dilutive impact from potential ordinary shares as potential ordinary shares can only be considered dilutive when their inclusion would decrease earnings or increase loss per share.

	2022 Adjusted results	2022 Adjusting items	2022 Total	2021 Adjusted results	2021 Adjusting items	2021 Total
Profit/(loss) for the year attributable to owners of the Company (£ million)						
Continuing operations	56.6	(152.1)	(95.5)	39.6	(78.4)	(38.8)
Discontinued operations	–	(0.9)	(0.9)	11.5	250.4	261.9
Profit/(loss) for the year	56.6	(153.0)	(96.4)	51.1	172.0	223.1
Share number (million)						
Basic and diluted weighted average number of shares	440.0	440.0	440.0	417.3	417.3	417.3
Earnings/(loss) per share (basic and diluted, pence)						
Continuing operations	12.9	(34.6)	(21.7)	9.5	(18.8)	(9.3)
Discontinued operations	–	(0.2)	(0.2)	2.8	60.0	62.8
Total operations	12.9	(34.8)	(21.9)	12.3	41.2	53.5

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13. Business combinations

The Group has made the following acquisitions in the Digital Commerce segment:

Sellics

In April 2022, the Group acquired 100% of Sellics Marketplace Analytics GmbH ("Sellics") for an initial cash consideration of £17.2m, plus certain earnout payments payable over 4 years resulting in an estimated total consideration (including the initial consideration) of approximately £20.0m. Sellics provides a mix of advertising spend optimisation, campaign automation and profit analytics, through a suite of software solutions, to challenger brands that trade on Amazon across the US and Europe. Sellics has been integrated into challenger brand specialist Perpetua within Digital Commerce.

Intrepid

In June 2022, the Group acquired 100% of Intrepid E-Commerce Services Pte. Ltd. ("Intrepid") for an initial cash consideration of £46.9m, plus estimated earnout payments payable over 4 years resulting in an estimated total consideration (including the initial consideration) of approximately £60.0m. Intrepid provides eCommerce execution, backed by proprietary software solutions to enterprise brands that trade on major Southeast Asia platforms.

From the date of acquisition, Sellics and Intrepid contributed £14.1m revenue and an adjusted EBITDA loss of £4.5m. If the acquisitions had occurred at the beginning of the year, the acquired companies would have contributed an additional £8.9m of revenue and an additional adjusted EBITDA loss of £3.5m.

The values of the identifiable assets and liabilities of Intrepid and Sellics as at the date of acquisition disclosed in the Condensed Consolidated Interim Financial Statements as at and for the six months to 30 June 2022 were based on a provisional assessment of their fair value while the Group sought an independent valuation for the brand, customer relationships and technology. The valuation had not been completed by 1 August 2022, the date the 2022 Condensed Consolidated Interim Financial Statements were approved for issue by the Board of Directors which was just four weeks after the acquisition of Intrepid.

The acquisition date fair value of the identified intangible assets (brands, software and technology) was £20.5m, a decrease of £20.9m over the provisional value, with the balance recognised in goodwill. The change does not represent the nature of assets acquired but rather driven by the proximity of the acquisition date to the interim reporting period and limited financial information available.

A reduction in the net working capital of £1.8m is largely due to the use of the available financial information for provisional valuation. The valuation of the identifiable assets and liabilities resulted in £5.3m of deferred tax liabilities recorded. Sellics and Intrepid did not have any material lease liabilities prior to the acquisition. Gross contractual amounts of acquired trade and other receivables approximate the fair value of trade and other receivables on the acquisition date.

The valuation was subsequently completed resulting in the acquisition date updated provisional fair value of net assets:

(£m)	Note	2021 Acquisitions, change in fair values	2022 Acquisitions fair values	Total
Customer relationships	16	(2.6)	12.5	9.9
Brands	16	0.6	1.7	2.3
Technology	16	1.2	6.3	7.5
Property, plant and equipment	17	–	0.3	0.3
Trade and other receivables		(0.1)	5.7	5.6
Cash and cash equivalents		–	3.2	3.2
Deferred tax asset	10	4.0	–	4.0
Deferred tax liability	10	(2.9)	(5.4)	(8.3)
Other working capital		(0.4)	(7.8)	(8.2)
Total identifiable net assets at fair value		**(0.2)**	**16.5**	**16.3**
Initial cash consideration		–	64.0	64.0
Non-controlling interest		(0.2)	–	(0.2)
Contingent consideration payable in 2022 - 2026		–	12.9	12.9
Contingent consideration payable in 2021 - 2024		(0.7)	–	(0.7)
Total consideration		**(0.9)**	**76.9**	**76.0**
Goodwill on acquisition	16	(0.7)	60.4	59.7
Acquisition of businesses (net of cash acquired)		–	**60.8**	**60.8**

In addition to £2.3m of transaction costs, the Group incurred £0.7m to integrate these two acquisitions in Ascential in 2022.

The goodwill of £60.4m arising on acquisitions in 2022, comprises earnings attributable to new service offerings, growth through new customer relationships and the assembled workforces. This goodwill is not expected to be deductible for tax purposes. It is allocated entirely to the DC group of CGUs.

As discussed in Note 3, the valuation of intangible assets acquired in business combinations is based on a number of estimates made by management. Some of those could materially impact the fair value of the intangible assets as at the acquisition date. A 3% change to the customer attrition rate applied to the valuation of Intrepid would result in a £1.3m change to the fair value of customer relationships. If the royalty rate applied to Intrepid software valuation were to change by 2%, it would result in a £1.1m change to the fair value of technology acquired. Finally, a change to the royalty rate applied to Intrepid brand valuation by 0.25% will result in £0.85m change to the brand fair value. All of these changes would result in a corresponding adjustment to the value of goodwill recognised. The valuation of intangible assets is also sensitive to forecasted revenue assumptions applied by management. It is impractical to sensitise the valuation assessment for revenue assumptions due to inability to flex this assumption in isolation, as there is a close relationship between revenue and other components of forecasted cash flows informing the fair values. No other reasonable change to the accounting estimates would result in a material change to the valuation of intangible assets acquired in relation to Sellics or Intrepid.

2021 Acquisitions

The details of the prior year acquisitions are set out in the 2021 Annual Report and Accounts. The impact of the finalisation of the acquisition accounting for those acquisitions deemed as provisional in the 2021 accounts is set out below:

4K Miles
The valuation of 4K Miles resulted in a £0.7m increase in deferred tax liability recognised in 2022 and a reallocation of fair value between different categories of the purchased intangibles. In finalising the purchase accounting a revision in the deferred and contingent consideration payable of £0.7m was recorded.

ASR
Acquisition assets valuation was completed after the release of 2021 Annual Report resulting in a £0.5m net working capital adjustment (including trade and other receivables) due to completion of acquisition financial statements.

OneSpace
Acquisition assets valuation was completed after the release of 2021 Annual Report resulting in the recognition of an additional £2.2m deferred tax liability and a £4.0m deferred tax asset on losses carried forward.

14. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material Non-Controlling Interests ("NCI"):

	2022			2021		
	ASR	CTIC WGSN China Ltd	Total	ASR	CTIC WGSN China Ltd	Total
(£ million)						
NCI percentage	**49%**	**51%**		49%	51%	
Non-current assets	**39.1**	**–**	**39.1**	52.8	–	52.8
Current assets	**4.5**	**6.4**	**10.9**	8.5	7.1	15.6
Non-current liabilities	**(0.1)**	**–**	(0.1)	(0.9)	–	(0.9)
Current liabilities	**(1.7)**	(4.0)	(5.7)	(1.0)	(5.8)	(6.8)
Net assets	**41.8**	**2.4**	**44.2**	59.4	1.3	60.7
Net assets attributable to NCI	**20.5**	**1.2**	**21.7**	29.1	0.6	29.7
Profit/(loss) for the year and total comprehensive income	**(22.7)**	**3.6**	**(19.1)**	0.2	1.4	1.6
Profit/(loss) allocated to NCI	**(11.1)**	**1.8**	**(9.3)**	0.1	0.7	0.8

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15. Disposals

In the year ended 31 December 2022, the Group disposed of its investment in associate Analytic Index, resulting in a gain on disposal of £5.0m (see Note 18), and of the assets and liabilities of Retail Week and World Retail Congress (RWRC) resulting in a provisional gain on disposal of £1.0m. The Group has recognised a total gain on disposal of £6.0m presented as non-trading items in the year within continuing operations.

Disposal of business operations – RWRC

(£ million)	**2022**
Net proceeds	**0.9**
Net liabilities disposed of	**1.0**
Total proceeds	**1.9**
Disposal costs	**(0.9)**
Gain on disposal of assets and liabilities	**1.0**

The assets and liabilities disposed of are as follows:

(£ million)	**2022**
Intangibles including Goodwill	**–**
Trade debtors (net of provisions)	**0.8**
Prepayments (including Event Deposits)	**0.8**
Trade creditors	**(0.1)**
Deferred income	**(2.4)**
Accruals	**(0.1)**
Net liabilities disposed of	**(1.0)**

2021 Disposals

In the year ended 31 December 2021, the Group disposed of its Built Environment & Policy Segment and the MediaLink business which was formerly within the Marketing segment. The Group recognised a total gain on disposal of £259.4m presented as a non-trading item within discontinued operations.

(£ million)	**Built Environment & Policy**	**MediaLink**	**2021**
Gross proceeds	**257.4**	**94.7**	**352.1**
Working capital adjustment	**0.9**	**–**	**0.9**
Cash and cash equivalents disposed of	**(3.4)**	**(1.5)**	**(4.9)**
Total proceeds	**254.9**	**93.2**	**348.1**
Net assets disposed of	**(23.1)**	**(52.0)**	**(75.1)**
Disposal costs	**(5.7)**	**(1.2)**	**(6.9)**
Recycling of deferred foreign exchange losses	**–**	**(6.7)**	**(6.7)**
Gain on disposal from discontinued operations	**226.1**	**33.3**	**259.4**

The assets and liabilities disposed of in these transactions were as follows:

(£ million)	**Built Environment & Policy**	**MediaLink**	**2021**
Goodwill	25.1	33.4	58.5
Brands, customer relationships and databases	0.5	13.8	14.3
Right of use assets	0.4	1.0	1.4
Tangible fixed assets including software	2.5	0.1	2.6
Trade and other receivables	10.0	15.1	25.1
Trade and other payables	(15.8)	(8.5)	(24.3)
Lease liabilities	–	(1.2)	(1.2)
Deferred tax asset/(liability)	0.4	**(1.7)**	**(1.3)**
Net assets and liabilities disposed	**23.1**	**52.0**	**75.1**

The net inflow of cash in respect of the disposal of businesses was as follows:

(£ million)	2021
Cash proceeds received for current year disposals (net of cash disposed of)	348.1
Disposal costs paid	**(5.7)**
Net cash inflow	**342.4**

16. Intangible assets and goodwill

		Acquired Intangibles					
£ million)	Goodwill	Brands	Customer relationships	Content	Technology	Software	Total
Cost							
At 1 January 2021	708.1	139.2	130.2	59.0	39.2	65.3	1,141.0
Additions	–	–	–	–	–	21.6	21.6
Acquisitions of businesses	163.6	8.2	91.4	–	12.4	1.3	276.9
Disposals	–	–	–	–	–	(1.1)	(1.1)
Disposals of businesses	(33.4)	(15.3)	(14.5)	–	–	(0.1)	(63.3)
Exchange rate differences	6.0	(1.0)	3.2	–	0.3	–	8.5
At 1 January 2022	844.3	131.1	210.3	59.0	51.9	87.0	1,383.6
Additions	**–**	**–**	**–**	**–**	**–**	**33.3**	**33.3**
Acquisitions of businesses	**59.7**	**2.3**	**9.9**	**–**	**7.5**	**–**	**79.4**
Disposals	**–**	**–**	**–**	**–**	**–**	**(8.1)**	**(8.1)**
Exchange rate differences*	**47.8**	**2.3**	**14.3**	**–**	**2.6**	**6.1**	**73.1**
At 31 December 2022	**951.8**	**135.7**	**234.5**	**59.0**	**62.0**	**118.3**	**1,561.3**
Accumulated amortisation & impairment							
At 1 January 2021	(240.7)	(49.4)	(59.2)	(52.9)	(29.5)	(44.2)	(475.9)
Disposal of businesses	–	6.8	9.2	–	–	–	16.0
Disposals	–	–	–	–	–	0.8	0.8
Amortisation	–	(12.0)	(15.3)	(3.2)	(4.1)	(11.5)	(46.1)
Exchange rate differences	–	(0.4)	0.1	(0.1)	(0.1)	1.0	0.5
At 1 January 2022	(240.7)	(55.0)	(65.2)	(56.2)	(33.7)	(53.9)	(504.7)
Amortisation	**–**	**(7.7)**	**(20.1)**	**(1.9)**	**(4.9)**	**(15.5)**	**(50.1)**
Disposals	**–**	**–**	**–**	**–**	**–**	**7.7**	**7.7**
Impairment	**–**	**–**	**(43.6)**	**–**	**–**	**(13.4)**	**(57.0)**
Exchange rate differences	**–**	**(0.3)**	**(0.9)**	**–**	**(0.7)**	**(1.8)**	**(3.7)**
At 31 December 2022	**(240.7)**	**(63.0)**	**(129.8)**	**(58.1)**	**(39.3)**	**(76.9)**	**(607.8)**
Net book value							
At 31 December 2022	**711.1**	**72.7**	**104.7**	**0.9**	**22.7**	**41.4**	**953.5**
At 31 December 2021	**603.6**	**76.1**	**145.1**	**2.8**	**18.2**	**33.1**	**878.9**

*Exchange rate differences related to brands and customer relationships in 2021 were updated

Included within software intangible assets at 31 December 2022 is £16.2m (2021: £10.2m) of assets under construction which were not yet being amortised at the year end.

Impairment review

At 31 December 2022, the Group had £912.1m of goodwill and intangible assets acquired through acquisitions (2021: £845.8m). Where each of the Group's cash generating units (CGUs) and groups of CGUs contain goodwill, indefinite life intangible assets or assets not yet available for use, these are assessed for impairment annually and more frequently where there are indicators of impairment. Where a CGU only contains finite life intangible assets a test for impairment is only performed when an impairment trigger is deemed to exist. In assessing for impairment, an estimate of the CGU's recoverable amount is determined. The recoverable amount is the higher of value-in-use or fair value less costs of disposal.

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16. Intangible assets and goodwill continued

CGUs

The Group consists of one group of CGUs (Digital Commerce) and five individual CGUs (Product Design, Lions, WARC Money 20/20 and RFS Price & Promotion). Due to the interdependencies of the business units within Digital Commerce, goodwill attributed to the individual CGUs has been allocated as a whole to the group of CGUs that form Digital Commerce and is assessed for impairment at that level. The two newly acquired businesses in the period, Intrepid and Sellics, are included within the Digital Commerce group of CGUs. No CGU or group of CGUs is larger than an operating segment as defined by IFRS 8 "Operating Segments" before aggregation.

Determination of recoverable amount

When testing for impairment, recoverable amounts for all of the Group's CGUs and group of CGUs are measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. These calculations use cash flow projections based on Board-approved budgets and approved plans, which have been prepared after considering the current economic environment in each of our markets. Five-year cash flow forecasts have been used for all CGUs. Where tests are performed on specific finite life assets cash flow forecasts are limited to the useful economic life of the asset being tested and where the period extends beyond our 5 -year plan period a long-term growth rate is applied to the incremental years. We tested those CGUs where a trigger was deemed to have occurred.

Fair value less costs of disposal is also considered as an alternative measure of recoverable amount based on revenue or EBITDA multiples compared to recent market transactions. This is a Level 3 measurement, based on inputs which are normally unobservable to market participants.

The key assumptions and estimates used for value-in-use calculations are as follows:

EBITDA Growth rate
In determining the operating results in the Group's 5-year plan period, the Group consider the growth in revenue and EBITDA for each CGU and consider the expected market and economic conditions and territories in which each operate, as well as taking account of the Group's historic performance.

Cash conversion rate
In calculating the cash flows derived from the plan period, the level of cash conversion applied to the Group's operating results is applied based on the Group's historical cash conversion rates, in the range of 95%-99%.

Long-term growth rate
In calculating the terminal value, cash flows beyond the plan period were extrapolated using a long-term growth rate of 3% (2021: 3% for Digital Commerce and 2.5% for other CGUs). This is in line with the IMF World Economic Outlook published in October 2022, which represents the long-term rates of inflation expected in the economies in which we operate and the Group's best estimate of cash flow growth beyond the relevant plan period.

Discount rates
Inputs include risk-adjusted, pre-tax discount rates, calculated by reference to the weighted average cost of capital for each CGU, weighted to the country, or countries, in which the CGU operates. Movements in the pre-tax discount rates for CGUs since the year ended 31 December 2021 are primarily driven by increases to the risk free rate driven by wider economic volatility in 2022.

The pre-tax discount rates applied to the risk-adjusted cash flow forecasts and the carrying values of goodwill and other acquired intangible assets allocated to the CGUs tested for impairment at 31 December 2022 are set out below:

	2022			2021		
CGU	**Pre-tax discount rate %**	**Goodwill**	**Acquired Intangibles**	Pre-tax discount rate %	Goodwill	Acquired Intangibles
Digital Commerce	**14.9**	**423.4**	**132.0**	10.3	325.8	167.5
Product Design	**13.4**	**156.0**	**2.6**	10.5	150.6	2.3
Marketing						
Lions	**12.8**	**81.4**	**53.6**	9.6	81.1	57.1
WARC	**13.2**	**10.6**	**6.9**	9.8	10.6	10.1
Retail & Financial Services						
Money20/20	**16.0**	**39.7**	**3.5**	10.6	35.5	5.2
RFS Price & Promotion	**13.9**	–	2.4	10.3	–	–
Retail Week & WRC	–	–	–	8.9	–	–
Total		**711.1**	**201.0**		603.6	242.2

Sensitivity to changes in assumptions
The calculation of value-in-use is most sensitive to the EBITDA growth rate, cash conversion rate, discount rate and long term growth rates used. The Group has concluded that the headroom in Goodwill was not significantly impacted by reasonably possible change in these inputs.

Impairment of ASR
As part of our impairment assessment at the 31 December 2022 year end, an impairment trigger was identified in ASR. At the date of testing, £51.5m of acquired purchased intangibles and £6.7m of other assets were allocated to the ASR CGU. The Group assessed the carrying amount of these finite life assets, that form the ASR CGU (which forms part of the Digital Commerce group of CGUs) by assessing the profit and cash flow projections derived from the Group's 2023 budget and five year plan. These projections were then extrapolated over a further 5.5 years to match the remaining 10.5 years of the useful economic life of the assets in the CGU using the long term growth rate for Digital Commerce of 3% and discounted at a pre-tax discount rate of 14.6%. This identified an impairment loss of £25.6m.

Impairment of Edge
As part of its reporting for the half year ended 30 June 2022, the Group reassessed its profit and cash flow projections for Edge based on the prevailing economic environment considering its strategic direction. As a result the Group performed its impairment review of the assets in Edge based on these revised assumptions, and an impairment loss of £31.4m, predominately related to the finite life Digital Shelf assets, was recognised at the half year. Impairment testing performed over the remaining assets of Edge at the 31 December 2022 did not result in any further impairment.

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17. Property, plant and equipment

(£ million)	Leasehold	Hardware and Fixtures & Fittings	Total
Cost			
At 1 January 2021	10.0	11.7	21.7
Additions	0.6	2.3	2.9
Acquisitions of businesses	0.2	0.3	0.5
Disposals	(0.6)	(0.7)	(1.3)
Disposal of business	(0.1)	–	(0.1)
Movements in exchange rates	(0.2)	(0.1)	(0.3)
At 1 January 2022	**9.9**	**13.5**	**23.4**
Additions	**1.2**	**1.6**	**2.8**
Acquisition of businesses	–	**0.3**	**0.3**
Disposals	–	**(0.3)**	**(0.3)**
Movements in exchange rates	**0.4**	**0.5**	**0.9**
At 31 December 2022	**11.5**	**15.6**	**27.1**
Depreciation			
At 1 January 2021	(7.4)	(8.8)	(16.2)
Depreciation	(1.5)	(1.6)	(3.1)
Disposals	0.5	0.5	1.0
Movements in exchange rates	0.1	0.1	0.2
At 1 January 2022	**(8.3)**	**(9.8)**	**(18.1)**
Depreciation	**(1.4)**	**(1.8)**	**(3.2)**
Disposals	–	**0.3**	**0.3**
Movements in exchange rates	**(0.2)**	**(0.2)**	**(0.4)**
At 31 December 2022	**(9.9)**	**(11.5)**	**(21.4)**
Net book value			
At 31 December 2022	**1.6**	**4.1**	**5.7**
At 31 December 2021	**1.6**	**3.8**	**5.4**

18. Investments

(£ million)	**2022**	2021
At 1 January	**82.2**	32.4
Acquisition of investments	**4.0**	44.0
Remeasurement of trade investments to fair value	**(4.0)**	7.8
Share of the loss of associates	**(3.2)**	(2.5)
Reclassification as a subsidiary	**–**	(0.7)
Disposal of investments	**(0.4)**	–
Movements in exchange rates	**9.9**	1.2
At 31 December	**88.5**	82.2

Investments as at 31 December 2022 were made up as follows:

(£ million)	**2022**	2021
Trade investments and preference shares measured at fair value through profit or loss	**85.1**	78.1
Associates accounted for using the equity method	**3.4**	4.1
At 31 December 2022	**88.5**	82.2

Investment in Hudson

Included within the above balances, the Group continues to hold a £73.8m (31 December 2021: £65.9m) investment in Hudson, an advertising software business providing media buying and accounting solutions through a cloud-based SaaS platform. This investment is made up of ordinary stock and preference stock. In addition, the Group invested an additional £30.6m of secured and unsecured promissory notes (31 December 2021: £7.3m) in Hudson in 2022. These are included in non-current other receivables, see Note 20.

Summarised financial information for Hudson for the year to 31 December 2022 is as follows:

- The balance sheet includes current assets of £1.5m (2021: £6.2m), non-current assets of £74.2m (2021: £47.7m), current liabilities of £56.8m (2021: £7.7m) and non-current liabilities of £nil (2021: £7.5m).
- The income statement includes revenue (from continuing operations) of £2.3m (2021: £1.7m) and a loss from operations (all continuing) of £27.1m (2021: £21.8m) resulting in an Other Comprehensive Expense of £27.1m (2021: £21.8m). Included in these amounts are depreciation and amortisation of £7.5m (2021: £4.2m) and interest expense of £3.0m (2021: £4.4m).

Hudson had no contingent liabilities or capital commitments as at 31 December 2022 and 2021. Hudson requires a Board of Directors' consent to distribute its profits. No dividends were declared or received from Hudson in 2022.

The Group recognised its share of Hudson's losses in the Group's consolidated income statement resulted in decrease of the carrying value of the investment in the common stock down to nil on 31 December 2022 (£0.5m at 31 December 2021). The Group continued recognising its share of Hudson's losses recording it against the preference shares equity investment.

The Group has assessed that £73.8m of the preference stock held in Hudson at 31 December 2022 (31 December 2021: £65.4m) has attributes that require measurement at fair value through the profit and loss, and there is also an equity-accounted investment at nil. Both the valuation of the preference stock, and the estimation of the recoverable amount of the equity-accounted investment involve significant estimation uncertainty at 31 December 2022 due to the life cycle of the business.

In respect of the recoverable amount of the investment in Hudson at the 31 December 2022, this has primarily been estimated based upon the fair value less cost of disposal and formed based on a range of different data points available to management in forming a view on the valuation. These include reference to the valuation used for the restructuring of the Group's investment in Hudson in 2023 (see Note 31), prior funding rounds and valuations from potential investors. In addition the Group has an internal discounted cash flow model that includes potential cash flows from Hudson's forward looking forecasts and limited market comparative information.

The range of data points currently available to the Group support our assessment that the carrying value of the investment, being the preference shares of £73.8m and equity-accounted associate balance held at £nil is supportable and within an appropriate valuation range. The valuation remains judgemental due to the unobservable data points and dependency on Hudson's pathway to revenue growth and profitability.

Investment in Infosum

The Group's investment in Infosum is accounted for at fair value through profit and loss. The carrying value of the investment on 31 December 2021 was £12.0m, including a £7.8m revaluation gain following the open funding round in 2021 indicating an increase in the company's value.

In 2022 the Group performed a fair value assessment of the investment resulting in a £4.0m reduction in the value, presented as a non-trading item (Note 4) consistent with the presentation of the revaluation gain recorded in 2021.

Sensitivity analysis, using reasonably possible changes in the fair value company's equity price, showed that a 5.0% decrease or increase in the equity price would have resulted in an increase to the impairment of £0.5m and decrease of £0.5m respectively.

Investment in Analytic Index

In October 2022 the Group disposed of its investment in Analytic Index for an initial cash consideration of £5.3m and resulted in a £5.0m profit on disposal recorded within non-trading items.

19. Inventories

(£ million)	**2022**	2021
Physical stock	**3.3**	1.9
Total	**3.3**	1.9

During 2022, £9.9m (2021: £2.0m) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

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20. Trade and other receivables

(£ million)	2022	2021
Non-Current		
Other receivables	**42.7**	–
Total Non-Current	**42.7**	–

(£ million)	2022	2021
Current		
Trade receivables, net of the allowance for doubtful debts	**112.1**	91.2
Other receivables	**204.8**	153.3
Prepayments	**9.6**	10.7
Contract assets – accrued income	**18.4**	17.4
Total Current	**344.9**	272.6
Total	**387.6**	272.6

The Directors consider that the carrying amount of receivables and prepayments approximates their fair value.

Other receivables include amounts due from customers for pass-through costs of £194.6m (2021: £137.4m), principally in relation to the purchase of media on their behalf. These costs comprise amounts paid to external suppliers which are charged directly to clients. The amounts due to external suppliers in these relationships are recognised in other payables (see Note 21).

Trade receivables are non-interest bearing and shown net of an allowance for doubtful debts. As at 31 December 2022, the allowance for doubtful debts was £7.9m (2021: £4.4m). Movements in the allowance for doubtful debts were as follows:

(£ million)	2022	2021
At 1 January	**4.4**	6.5
Provided in the year	**7.6**	3.1
Released in the year	**(1.8)**	(1.3)
Utilised in the year	**(3.4)**	(3.7)
Business disposals	**–**	(0.3)
Business acquisitions	**0.1**	0.1
Foreign exchange movements	**1.0**	–
At 31 December	**7.9**	4.4

A further allowance for doubtful debts of £0.8m was provided against the carrying value of other receivables and remains provided at 31 December 2022 (2021: £nil). The net impairment loss on trade receivables and contract assets recognised in the year of £6.6m (2021: £3.1m) is the net of the total amounts provided in the year of £7.6m (2021: £3.1m) and £0.8m (2021: £nil) in trade receivables and other receivables respectively, offset by the amount released in the year of £1.8m (2021: £1.3m) in trade receivables.

Trade receivables and contract assets of continuing operations, net of the allowance for doubtful debts, are aged as follows:

(£ million)	Loss rate	Gross carrying amount	Loss Allowance	Credit note allowance	Net trade receivables and contract assets
Current (not past due)	0.8%	103.9	(0.8)	(1.6)	101.5
1-30 days past due	2.9%	16.0	(0.5)	–	15.5
31 – 90 days overdue	7.8%	8.3	(0.7)	–	7.6
More than 90 days past due	49.9%	11.8	(5.9)	–	5.9
At 31 December 2022		**140.0**	**(7.9)**	**(1.6)**	**130.5**
Current (not past due)	1.0%	90.1	(0.9)	(1.6)	87.6
1-30 days past due	3.8%	11.1	(0.4)	–	10.7
31 – 90 days overdue	5.4%	6.9	(0.4)	–	6.5
More than 90 days past due	42.0%	6.5	(2.7)	–	3.8
At 31 December 2021		114.6	(4.4)	(1.6)	108.6

Loss rates are calculated based on actual credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Group's view of the economic conditions over the expected lives of the receivables. In addition to the loss allowance, there is a credit note allowance of £1.6m (2021: £1.6m) in the net trade receivables balance.

The maximum exposure to credit risk for trade receivables and contract assets by geographical region was:

(£ million)	**2022**	2021
United Kingdom	**11.6**	10.6
Other Europe	**17.3**	12.9
United States and Canada	**69.3**	56.6
China	**13.9**	15.9
Asia Pacific (excluding China)	**11.8**	4.3
Middle East and Africa	**1.3**	1.4
Latin America	**5.3**	6.9
Total	**130.5**	108.6

The Group has undertaken a sale of trade receivables, without recourse, to banks to manage the working capital impact of media buying and reimbursement on behalf of clients in our high growth Flywheel business. Sold trade receivables are derecognised in the consolidated statement of financial position as at 31 December 2022, with substantially all of the risks and rewards associated with the sold receivables being transferred to the bank. At 31 December 2022, the level of trade receivables sold to a financial institution under a non-recourse financing arrangement totalled £28.4m (2021: £23.8m). The facility has a limit of $40m.

As at 31 December 2022, the allowance for doubtful debts was £0.8m (2021: Nil) for other receivables. Other receivables of the continuing operations, net of the allowance for doubtful debts, are aged as follows:

			2022			2021
(£ million)	**Non-current**	**Current**	**Total**	Non-current	Current	Total
Not past due)	**42.7**	**146.9**	**189.6**	–	121.6	121.6
1-30 days past due	**–**	**22.3**	**22.3**	–	17.3	17.3
31 – 90 days overdue	**–**	**19.3**	**19.3**	–	8.1	8.1
More than 90 days past due	**–**	**16.3**	**16.3**	–	6.3	6.3
Total	**42.7**	**204.8**	**247.5**	–	153.3	153.3

21. Trade and other payables

(£ million)	**2022**	2021
Current		
Trade payables	**18.0**	12.7
Other payables	**203.5**	136.6
Accruals	**48.1**	39.5
Derivatives	**–**	0.2
Interest accruals	**0.9**	0.5
Taxes and social security costs	**7.1**	8.9
Total	**277.6**	198.4

Other payables include amounts due to external suppliers in relation to pass-through costs of £193.7m (2021: £124.1m). Pass-through costs comprise amounts paid to external media suppliers which are charged directly to clients. The amounts due from customers in these relationships are recognised in other receivables (see Note 20).

Notes to the financial statements

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22. Deferred and contingent consideration

The Group has liabilities in respect of deferred and contingent consideration payments under various business acquisition contracts as set out in the table below:

(£ million)	Note	Total	Level 3
At 1 January 2021		136.2	96.5
Additions	13	49.7	47.2
Acquisition-related employment costs accrued in the year	6	29.9	–
Revaluation of contingent consideration	6	5.2	5.2
Discounting of contingent and deferred consideration	9	9.0	9.0
Acquisition-related employment costs cash paid in year		(39.4)	–
Deferred and contingent consideration cash paid in the year		(87.6)	(85.6)
Movements in exchange rates		(0.1)	(0.3)
At 1 January 2022		**102.9**	**72.0**
Additions	13	**12.3**	**12.3**
Acquisition-related employment costs accrued in the year*	6	**30.5**	**–**
Revaluation of contingent consideration recognised	6	**1.0**	**0.7**
Discounting of contingent and deferred consideration	9	**10.3**	**10.3**
Acquisition-related employment costs cash paid in year		**(19.5)**	**–**
Deferred and contingent consideration cash paid in the year		**(37.9)**	**(35.5)**
Movements in exchange rates		**8.5**	**7.0**
At 31 December 2022		**108.1**	**66.8**

(£ million)		**2022**			2021	
Accounted for in accordance with:	**IFRS 9**	**IAS 19**	**Total**	IFRS 9	IAS 19	Total
Current	**20.5**	**22.7**	**43.2**	35.4	17.2	52.6
Non-current	**47.2**	**17.7**	**64.9**	39.8	10.5	50.3
Total	**67.7**	**40.4**	**108.1**	75.2	27.7	102.9

* Includes £0.1m (2021: £5.2m employment costs recorded in discontinued operations

The significant unobservable inputs used in the fair value measurements are the determined weighted average cost of capital and the forecast future revenue of the acquired businesses. For details of deferred and contingent consideration on acquisitions within the year refer to Note 13.

Both contingent consideration and acquisition-related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast revenues and the five-year plan which is updated annually and approved by the Board. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. The estimation uncertainty risk of payments greater than 1 year is higher to due to the forecast nature of the inputs. The Perpetua earnout is the largest earnout payment with uncertainty and therefore most relevant when considering the sensitivity to fluctuations in performance. The payment due in 2023 is based on 2022 results and hence is no longer subject to such uncertainty. A 10% increase in revenues in 2023 to 2024 would result in total additional payments of approximately £11.7m in 2023 to 2024. A 20% increase in revenues in 2023 and 2024 would result in total additional payments of approximately £18.6m. 4K Miles (acquired in December 2022) is the next largest earnout where sensitivity has been applied where a 10% increase in revenues in 2023 to 2024 would result in additional payments of £8.9m in 2023 to 2024. A 20% increase in revenues in 2023 to 2024 would result in total additional payments of approximately £18.9m in 2023 to 2024.

23. Borrowings

The Group has a multi-currency revolving credit facility ("RCF") of £450m with a syndicate of lenders, plus an accordion to raise further debt amounts, at the options of the lenders, of up to the greater of £120m or 150% of EBITDA. This facility is available until January 2025 and the RCF can be drawn in tranches for each interest rate period. These tranches of debt can be rolled over at the end of the interest period subject to covenant compliance on the request date. The Group expects that it will be able to continue to rollover its debt at the end of each interest period over the remaining life of the facility. This reflects that even in downside stress scenarios that it can take mitigating actions to maintain compliance with these conditions. As the Group has the ability and the intent to roll-over the drawn RCF when due, it is appropriate to classify these borrowings as a non-current liability.

At 31 December 2022 the borrowings were subject to interest at a margin of 1.60% over IBOR. The facility covenants include a maximum net leverage of 3.25x with the benefit of additional 0.5x leverage spikes for relevant acquisitions and a minimum interest cover of 3.00x and are tested semi-annually.

At 31 December 2022 the maturity profile of the Group's borrowings, which consists entirely of the RCF, was as follows:

(£ million)	**2022**	2021
Non-current		
Two to five years	**301.2**	158.1
Total borrowings	**301.2**	158.1

Borrowings are shown net of unamortised issue costs of £1.6m (2021: £2.4m). The carrying amounts of borrowings approximate their fair value as detailed in Note 30. The Group's borrowings at 31 December 2022 were denominated in US dollars and Euros amounting to $233.0 million and €124.5 million respectively (2021: $92.0m, and €110.0m).

Reconciliation of movement in Net Debt

(£ million)	Cash	Cash in transit	Short-term deposits	Interest rate cap	Borrowings	Net debt*
At 1 January 2021	**51.0**	**0.5**	**28.7**	**–**	**(309.5)**	**(229.3)**
Exchange differences	2.1	–	–	–	4.4	6.5
Proceeds from external borrowings**	–	–	–	–	(180.7)	(180.7)
Repayment of external borrowings**	–	–	–	–	329.7	329.7
Acquisition of subsidiary	–	–	–	–	(1.3)	(1.3)
Fair value movement	–	–	–	0.2	–	0.2
Amortisation of debt arrangement fees	–	–	–	–	(0.7)	(0.7)
Net cash movement	2.6	(0.1)	(0.7)	–	–	1.8
At 1 January 2022	**55.7**	**0.4**	**28.0**	**0.2**	**(158.1)**	**(73.8)**
Exchange differences	**5.5**	**–**	**–**	**–**	**(19.3)**	**(13.8)**
Proceeds from external borrowings**	**–**	**–**	**–**	**–**	**(176.8)**	**(176.8)**
Repayment of external borrowings**	**–**	**–**	**–**	**–**	**53.8**	**53.8**
Fair value movement	**–**	**–**	**–**	**4.3**	**–**	**4.3**
Amortisation of debt arrangement fees	**–**	**–**	**–**	**–**	**(0.8)**	**(0.8)**
Net cash movement	**(2.2)**	**0.5**	**(7.9)**	**–**	**–**	**(9.6)**
At 31 December 2022	**59.0**	**0.9**	**20.1**	**4.5**	**(301.2)**	**(216.7)**

* Refer to the Glossary of Alternative Performance Measures for the definition of Net Debt
** The reconciliation of movement in Net Debt comparatives has been represented to show cash movements for the RCF on a gross basis

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23. Borrowings continued

In addition to the net debt amount of £216.7m above, the Group has lease liabilities of £26.8m (2021: £25.2m) with movements comprising as follows:

(£ million)	Note	Lease liabilities
At 1 January 2021		**20.4**
Payments		(8.4)
Additions		13.2
Discount unwind	9	1.0
De-recognition of lease liability		(1.2)
Movements in exchange rates		0.2
At 1 January 2022		**25.2**
Payments		**(8.0)**
Additions		**5.5**
Discount unwind	9	**1.1**
De-recognition of lease liability		**(0.1)**
Movements in exchange rates		**3.1**
At 31 December 2022		**26.8**

Cash and cash equivalents at 31 December 2022 of £80.0m (2021: £84.1m) relate to bank balances, including short-term deposits with an original maturity date of less than three months and cash in transit.

24. Provisions

(£ million)	Property provisions	Other	Total provisions
At 1 January 2021	**5.1**	**3.9**	**9.0**
Provided in the year	0.6	0.4	1.0
Released in the year	(1.6)	(0.2)	(1.8)
Utilised in the year	(1.1)	(3.2)	(4.3)
At 1 January 2022	**3.0**	**0.9**	**3.9**
Provided in the year	**3.5**	**–**	**3.5**
Released in the year	**(2.6)**	**(0.2)**	**(2.8)**
Utilised in the year	**(0.4)**	**(0.2)**	**(0.6)**
At 31 December 2022	**3.5**	**0.5**	**4.0**

Provisions have been analysed between current and non-current as follows:

2022 (£ million)	Property provisions	Other	Total provisions
Current	1.5	0.5	2.0
Non-current	2.0	–	2.0
Total	**3.5**	**0.5**	**4.0**

2021 (£ million)	Property provisions	Other	Total provisions
Current	2.0	0.9	2.9
Non-current	1.0	–	1.0
Total	**3.0**	**0.9**	**3.9**

The property provisions recognised relate to dilapidation costs on properties in the United Kingdom, Republic of Ireland, Brazil, China, Singapore and Hong Kong. Onerous property costs relate to properties in the United Kingdom, Republic of Ireland and United States. The weighted average maturity of these obligations is approximately four years. Other provisions relate to onerous contracts and warranty costs relating to businesses disposed of, legal provisions, and redundancy provisions. The average weighted maturity of these obligations is approximately one year.

25. Share capital and reserves

Share capital

(£ million)	2022	2021
440,212,104 Ordinary shares of £0.01 each (2021: 439,214,701)	4.4	4.4
Total	**4.4**	**4.4**

During the year, 997,403 new shares were issued: 921,655 (2021: 639,799) and 75,748 (2021: 242,992) ordinary £0.01 shares were issued to Employee Benefit Trusts (Offshore EBT and UK SIP EBT) and employees respectively under employee share schemes. This results in an increase in share premium of £0.3m (2021: £0.7m).

Share premium

The share premium account comprises the premium on allotment of shares.

Translation reserve

The translation reserve arises on the translation into pounds sterling of the net assets of the Group's foreign operations.

Other reserves

	Attributable to owners of the Company			
(£ million)	Group restructure reserve	Merger reserve	Treasury share reserve	Total
At 1 January 2021, 31 December 2021	157.9	9.2	(0.1)	167.0
Shares purchased	–	–	(3.7)	(3.7)
Shares issued to employees	–	–	2.7	2.7
At 31 December 2022	**157.9**	**9.2**	**(1.1)**	**166.0**

The group restructure reserve arose from the IPO restructuring of the Group between 8 and 12 February 2016. A merger reserve was recognised, reflecting the difference between the share capital and share premium of the Company on 8 February 2016, and the share capital, share premium and non-distributable reserves of the previous Parent of the Group at the same date.

Shares held by Employee Benefit Trusts (UK SIP EBT and Offshore EBT) established for settlement of awards granted under employee share schemes are classified as Treasury shares and held within the Treasury Share Reserve. As at 31 December 2022, 1,073,519 shares (2021: 855,462) were held in the Employee Benefit Trusts at a cost of £1.1m (2021: £0.1m). The market value of these shares was £2.2m (2021: £3.4m).

During the year, the Offshore EBT purchased 1,432,000 (2021: nil) shares at a cost of £3.7m, with an average price of £2.60 per share and 2,089,463 (2021: 1,073,709) shares were issued to employees free of cost under PSP, RSP, DABP and International SIP.

26. Subsidiary and related undertakings

Full details of the subsidiaries and joint ventures of Ascential plc at 31 December 2022 are set out in Note 7 to the parent Company financial statements.

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27. Related party transactions

The aggregate value of transactions and outstanding balances with related party entities are as follows:

	Transaction value		Balance outstanding at 31 December	
(£ million)	**2022**	2021	**2022**	2021
Asian Advertising Festival (Spikes Asia) Pte Limited (50% owned)				
Dividends received	**–**	0.5	**–**	–
Profit share	**0.7**	–	**–**	–
Recharged costs	**0.1**	0.1	**–**	–
Shanghai Coloro Technology Co. Limited (27% owned)				
Share of profits / losses	**0.4**	(0.4)	**–**	–
Purchase of inventories	**(1.5)**	(1.4)	**(0.1)**	(0.4)
Analytic Index Holdings LLC (previously 31% owned)				
Share of losses	**(0.1)**	(0.2)	**–**	–
Hudson MX Inc (8% owned)				
Share of losses	**(2.7)**	(1.1)	**–**	–
Loan receivable	**–**	–	**39.7**	7.5
Interest receivable	**3.1**	–	**3.0**	–
Provision of secondee services	**2.7**	3.2	**0.7**	1.4

Other than the compensation of key management personnel, set out in Note 7, there are no other related party transactions requiring disclosure under IAS 24 “Related Party Disclosures”. All related party transactions occurring during the year were made on market terms.

28. Leases

A. Leases as lessee

The Group leases commercial office space and photocopiers.

a) Right of use assets

Right of use assets are presented as a separate line item on the statement of financial position and tabulated below.

(£ million)	Right of use assets
Cost	
At 1 January 2021	**48.1**
Additions	13.2
De-recognition of right of use assets	(0.8)
Disposal of businesses	(4.7)
Movements in exchange rates	0.3
At 1 January 2022	**56.1**
Additions	**5.5**
De-recognition of right of use assets	**(24.8)**
Movements in exchange rates	**2.5**
At 31 December 2022	**39.3**
Depreciation	
At 1 January 2021	**(32.7)**
Depreciation	(5.2)
Disposal of businesses	3.7
Movements in exchange rates	(0.1)
At 1 January 2022	**(34.3)**
Depreciation	**(7.0)**
Impairment	**(2.9)**
De-recognition of right of use assets	**24.8**
Movements in exchange rates	**0.1**
At 31 December 2022	**(19.3)**
Net book value	
At 31 December 2022	**20.0**
At 31 December 2021	**21.8**

b) Extension options

Some property leases contain extension options after the non-cancellable contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise these options, and if so, the optional period is included within the lease term and therefore the calculation of the lease liability. The Group reassesses whether is it reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise all the extension options, would result in an increase in lease liability of £18.3m (2021: £10.0m).

c) Short-term leases

The total cost of short-term leases, less than 12 months, for the year was £48,000 (2021: £302,000).

Notes to the financial statements
continued

28. Leases continued

B. Leases as lessor

The Group recognises the net investment in sub-leases within right-of-use-assets. The following table sets out a maturity analysis of the lease receivables, showing the undiscounted lease payments to be received after the reporting date:

(£ million)	2022	2021
Less than one year	**0.5**	0.3
One to two years	**0.3**	0.2
Two to three years	**–**	0.2
Total undiscounted leases receivable	**0.8**	0.7
Unearned finance income	**(0.1)**	(0.1)
Net investment in the leases	**0.7**	0.6

The net investment in the lease is presented within investment property in the statement of financial position. The following presents the reconciliation of the investment property:

(£ million)	2022	2021
Balance at 1 January	**0.6**	0.8
Additions	**0.7**	0.9
Payments	**(0.7)**	(1.2)
Interest	**0.1**	0.1
Balance at 31 December	**0.7**	0.6

29. Commitments and contingencies

Contracted commitments for assets under construction including software at 31 December 2022 totalled £0.3m (2021: £0.1m). Contracted commitments for use of event spaces at 31 December 2022 totalled £9.9m (2021: £9.7m).

(£ million)	2022	2021
Assets under construction	**0.3**	0.1
Contractual commitments for event space	**9.9**	9.7
Balance at 31 December	**10.2**	9.8

30. Financial instruments and financial risk management

Information about the Group's objectives, policies and processes for measuring and managing risk, the Group's exposure to the risks arising from financial instruments, and the Group's management of capital is disclosed below.

A. Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the euro. Foreign exchange risk arises from future commercial transactions to which the Group is already committed, recognised assets and liabilities and net investments in foreign operations.

Foreign currency movements impact on the consolidated statement of profit or loss together with its cash flow profile and leverage ratio position. The impact depends on whether there is a surplus or deficit in each currency from operating activities together with the interest and finance charge in those currencies. The Group's policy is to protect its cash flow and leverage ratio position by maintaining a proportion of currency debt in proportion to its currency earnings to obtain natural offsets.

Net Debt by currency was as follows:

	2022			2021		
	Interest rate caps	**Cash and borrowings**	**Total**	Interest rate caps	Cash and borrowings	Total
Pounds sterling	**–**	**12.2**	**12.2**	–	15.5	15.5
US dollars	**1.8**	**(152.7)**	**(150.9)**	0.1	(20.5)	(20.4)
Euros	**2.7**	**(100.0)**	**(97.3)**	0.1	(79.2)	(79.1)
Other currencies	**–**	**19.3**	**19.3**	–	10.2	10.2
Total	**4.5**	**(221.2)**	**(216.7)**	0.2	(74.0)	(73.8)

The Group's cash is subject to foreign exchange movements, a 1% increase in the US dollar to pounds sterling exchange rate would give rise to a £0.4m increase / decrease in the carrying value of cash balances, a 1% increase in the euro to pounds sterling exchange rate would give rise to a £0.2m increase / decrease in the carrying value of the cash balance and a 1% increase in Chinese yen to pounds sterling exchange rate would give rise to a £0.1m increase / decrease in the carrying value of the cash balances.

For each 1% movement in the euro to pounds sterling exchange rate has a circa £1.1m (2021: £0.9m) impact on the carrying value of borrowings. Each 1% movement in the US dollar to pounds sterling exchange rate has a circa £1.9m (2021: £0.7m) impact on the carrying value of borrowings.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the actual reported results were restated for pounds sterling weakening by 1% against the US dollar and euro rates in isolation:

(£ million)	**2022 Revenue**	**2022 Adjusted EBITDA**	2021 Revenue	2021 Adjusted EBITDA
Increase in revenue / Adjusted EBITDA if:				
Sterling weakens by 1% against US dollar in isolation	**2.8**	**1.2**	1.9	0.9
Sterling weakens by 1% against euro in isolation	**1.3**	**1.0**	0.6	0.5

b) Cash flow and interest rate risk

Interest rate risk arises from borrowings to the extent that the underlying debt instruments are not at fixed rates of interest.

The Group has entered into interest rate caps to convert a portion of its bank borrowings from fully floating to capped rates to mitigate this risk. As at 31 December 2022, the total notional amount of outstanding interest rate caps to which the Group is committed is £215.4m (2021: £200.0m). The fair value of the interest rate caps as at 31 December 2022 was £4.5m (2021: £0.2m).

These interest rate caps are measured at fair value through profit or loss and are Level 2 financial instruments. These derivative instruments were not traded in an active market and the fair value is determined by using third party valuations based on forward yield curves. This technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates. All significant inputs required to fair value an instrument are observable.

In the year ended 31 December 2022, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's finance costs for the year ended 31 December 2022 would have increased or decreased by £1.5m (2021: £0.3m).

The effective annual interest rate for the year ended 31 December 2022 was 3.9% (2021: 3.5%).

Notes to the financial statements
continued

30. Financial instruments and financial risk management continued

B. Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The maximum exposure to credit risk at the reporting date is the fair value of the financial assets in the consolidated statement of financial position as disclosed below.

a) Treasury-related credit risk

The Group has treasury policies in place which manage the concentration of risk with individual bank counterparties. Each counterparty has an individual limit determined by their long-term and short-term ratings by Standard & Poor's or Moody's. As at 31 December 2022, cash and cash equivalents totalled £80.0m (2021: £84.1m), of which 86% (2021: 91%) was held with banks or financial institutions with long-term ratings of A-/A3 or better or short-term ratings of A-1/P-1.

In accordance with the Group's treasury policies and exposure management practices, counterparty credit exposure limits are monitored and no individual exposure is considered significant in the ordinary course of treasury management activity. The Group does not expect any significant losses from non-performance by these counterparties.

b) Trading risk

Risk arises principally from payment default by customers. The general policy of the Group is not to risk assess all new customers and so retail credit risk information has not been included in these consolidated financial statements. The Group does not, however, expect any significant losses in respect of receivables that have not been provided for as shown in Note 20.

C. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity in the form of sufficient cash or funding from adequate credit facilities to meet such liabilities under both normal and stressed conditions.

The Group's major banking facilities in place as of 31 December 2022 consist of the £450m 5-year multi-currency revolving credit facility currently drawn in a combination of euro and US dollar currencies that carry an interest rate of IBOR + 1.6% (2021: LIBOR + 2.0%) which matures in January 2025.

At 31 December 2022, the Group had drawn £302.8m of the facility across the following currencies: $233.0m (£192.6m) and €124.5m (£110.2m) of the facility (2021: drawn down £160.5m across €110.0 (£92.4m) and $92.0m (£68.1m).

The Group's external borrowings presented in Note 23 of £301.2m (2021: £158.1m) are shown net of unamortised issue costs of £1.6m (2021: £2.4m).

The Group's undrawn borrowings total £147.2m (2021: £289.5m) and represent the unutilised balance on the revolving credit facility which matures in 2025.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and ability to roll over debt with its existing syndicate of lenders.

The following is an analysis of the contractual undiscounted cash flows from continuing operations payable under financial and derivative assets / (liabilities):

(£ million)	Less than one month	Between one and three months	Between three and twelve months	In one to two years	In two to five years	In more than five years	Total
At 31 December 2021							
Non-derivative financial liabilities							
Borrowings	–	–	–	–	(160.5)	–	(160.5)
Interest payments on borrowings	(0.6)	(1.1)	(4.9)	(6.6)	(14.0)	–	(27.2)
Trade payables and other payables	(198.4)	–	–	–	–	–	(198.4)
Lease liabilities	(0.3)	(1.7)	(5.6)	(5.1)	(11.7)	(9.8)	(34.2)
Deferred and contingent consideration	(1.4)	(0.1)	(52.2)	(30.2)	(31.7)	–	(115.6)
Derivative financial assets							
Derivative contracts – receipts	–	–	0.2	–	–	–	0.2
Total	(200.7)	(2.9)	(62.5)	(41.9)	(217.9)	(9.8)	(535.7)
At 31 December 2022							
Non-derivative financial liabilities							
Borrowings	**–**	**–**	**–**	**–**	**(302.8)**	**–**	**(302.8)**
Interest payments on borrowings	**(1.3)**	**(2.6)**	**(11.6)**	**(15.4)**	**–**	**–**	**(30.9)**
Trade payables and other payables	**(255.4)**	**–**	**–**	**–**	**–**	**–**	**(255.4)**
Lease liabilities	**(0.5)**	**(1.6)**	**(6.1)**	**(6.3)**	**(11.9)**	**(5.3)**	**(31.7)**
Deferred and contingent consideration	**–**	**(0.2)**	**(20.6)**	**(30.1)**	**(30.7)**	**–**	**(81.6)**
Derivative financial assets							
Derivative contracts – receipts	**0.5**	**–**	**3.0**	**1.0**	**–**	**–**	**4.5**
Total	**(256.7)**	**(4.4)**	**(35.3)**	**(50.8)**	**(345.4)**	**(5.3)**	**(697.9)**

The financial and derivative instruments are shown in the period in which they are due to be repaid. The interest payments on borrowings due in less than one month represents the actual interest due, while the interest due greater than one month is an estimate based on current interest rates and exchange rates. Cash flows in respect of borrowings represent contractual payments under the Group's lending facilities in place as at 31 December 2022. Borrowings, as disclosed in Note 23, are stated net of unamortised arrangement fees of £1.6m as at 31 December 2022 (2021: £2.4m).

Contingent consideration is based on the future performance of the acquired business to which they relate. Performance is assessed using forecast revenue and profits from the current five-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes.

Undiscounted future payments (£ million)	2022	2021
Contingent consideration	**80.4**	87.9
Acquisition related employment costs to the extent to which they are accrued at 31 December	**40.4**	26.4
Deferred consideration which is not impacted by performance	**1.2**	1.3
Deferred and contingent consideration	**122.0**	115.6
Anticipated future payments on acquisition-related employment costs	**24.5**	27.5
Deferred and contingent consideration including anticipated future payments on acquisition-related employment costs	**146.5**	**143.1**

Notes to the financial statements
continued

30. Financial instruments and financial risk management continued

D. Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

Financial Instruments

The carrying amount of financial instruments by category is as follows:

(£ million)	Note	**2022**		2021	
		Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets					
Interest in trade investments and preference shares designated at fair value through profit or loss on initial recognition	18	**85.1**	**85.1**	78.5	78.5
Derivatives	23	**4.5**	**4.5**	0.2	0.2
Total		**89.6**	**89.6**	78.7	78.7
Financial liabilities					
Deferred and Contingent consideration	22	**66.8**	**66.8**	72.0	72.0
Borrowings	23	**302.8**	**302.8**	160.5	160.5
Total		**369.6**	**369.6**	232.5	232.5

The fair value of each category of the Group's financial instruments approximates their carrying value in the consolidated statement of financial position. Financial instruments in the category "fair value through profit or loss" are measured in the consolidated statement of financial position at fair value. Fair value measurements can be classified in the following hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2022:

	2022				2021			
(£ million)	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Other investments, including derivatives	**–**	**4.5**	**–**	**4.5**	–	0.2	–	0.2
Trade investments and preference shares (Note 18)	**–**	**–**	**85.1**	**85.1**	–	–	78.1	78.1
Contingent consideration (Note 22)	**–**	**–**	**66.8**	**66.8**	–	–	72.0	72.0
Borrowings (Note 23)	**–**	**302.8**	**–**	**302.8**	–	160.5	–	160.5

Level 3 trade investments are valued based on the assumed transaction pricing or the most available sources of information. There were no movements between different levels of the fair value hierarchy in the year.

31. Events after the reporting date

Strategic review of the Group's organisational and capital structure

In January 2023, the Board announced the conclusion of a strategic review announced in April 2022 to evaluate and decide on the best structure to successfully deliver its strategy. Subject to shareholder approvals, the Board plans to execute two interdependent transactions:

- pursue the sale of WGSN
- to separate the Group's Digital Commerce assets into an independent, publicly traded company listed in the United States

It is the Board's intention that the Company will remain a listed company in the United Kingdom consisting of its market leading events businesses. Costs incurred relating to this strategic review are detailed in Note 6.

Investment in Hudson

In February 2023 Hudson completed a new financing round and restructuring of its capital structure. It resulted in MT II Holdings, LP ('Investor') becoming the majority shareholder in Hudson, holding 51.0% of the fully diluted common equity and the Group holding 36.5%. Hudson management team members and existing shareholders hold the remaining 12.5%. The Group received US$30.0m in cash from the Investor for part of its investment at the existing valuation, as reflected in the carrying amounts held on the Group's balance sheet at 31 December 2022.

The Group has agreed on arrangements that provide a potential path to a majority stake in the future. These arrangements include granting a put option to the Investor, exercisable by the Investor from 1 April 2024 to 31 December 2025 and subject to a maximum consideration payable by Ascential of US$52m. If exercised, this put option would result in Ascential holding a 79% common equity interest in Hudson. In addition, Ascential will then be able to call the remaining equity shares held by the Investor at any time in the subsequent two years.

The Group has also agreed put and call options between Ascential and Hudson management (including other existing investors) between February 2026 and December 2028, subject to a maximum consideration of US$40m. If exercised in full, it would result in the Group holding a 49% equity interest in Hudson.

The Investor and the Group will also provide fresh funding of up to, in aggregate, US$51.5m to Hudson through non-voting preference stock pro-rata to their common equity shareholdings. Ascential shall provide up to US$21.5m of the US$51.5m.

Parent Company Balance Sheet

As at 31 December 2022

(£ million)	Note	2022	Restated (Note 5) 2021
Assets			
Non-current assets			
Investments	7	**652.8**	652.8
Deferred tax	8	**0.5**	0.5
Trade and other receivables	8	**93.5**	147.5
		746.8	800.8
Current assets			
Trade and other receivables	8	**0.5**	0.2
		0.5	0.2
Liabilities			
Current liabilities			
Trade and other payables	9	**2.0**	2.8
		2.0	2.8
Non-current liabilities			
Trade and other payables	10	**–**	55.8
		–	55.8
Net assets		**745.3**	742.4
Equity			
Called-up share capital	11	**4.4**	4.4
Share premium	11	**153.6**	153.3
Group restructure reserve	11	**157.9**	157.9
Reserves	11	**429.4**	426.8
Total equity		**745.3**	742.4

The Company has taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present its income statement. The loss for the year ended 31 December 2022 was £9.8m (2021 as restated: loss of £0.2million).

The accompanying notes on pages 200 to 204 are an integral part of these financial statements. The financial statements on pages 198 to 199 were approved by the Board of Directors on 3 April 2023 and were signed on its behalf by Directors: Duncan Painter and Mandy Gradden.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2022

(£ million)	Share capital	Share premium	Reserves: Group restructure reserve	Reserves: Own shares*	Reserves: Retained earnings	Total equity
At 1 January 2021	**4.0**	**3.0**	**157.9**	**(0.1)**	**419.1**	**583.9**
Loss for the year (restated – see Note 5)	–	–	–	–	(0.2)	(0.2)
Issue of new shares	0.4	150.3	–	–	–	150.7
Share-based payments	–	–	–	–	8.4	8.4
Taxation on share-based payments	–	–	–	–	(0.4)	(0.4)
At 31 December 2021 (restated – see Note 5)	**4.4**	**153.3**	**157.9**	**(0.1)**	**426.9**	**742.4**
Loss for the year	**–**	**–**	**–**	–	**(9.8)**	**(9.8)**
Issue of new shares	**–**	**0.3**	**–**	–	**–**	**0.3**
Share purchases	**–**	**–**	**–**	**(3.7)**	**–**	**(3.7)**
Shares issued to employees	**–**	**–**	**–**	**2.7**	**(2.7)**	**–**
Share-based payments	**–**	**–**	**–**	**–**	**16.7**	**16.7**
Taxation of share-based payments	**–**	**–**	**–**	**–**	**(0.6)**	**(0.6)**
At 31 December 2022	**4.4**	**153.6**	**157.9**	**(1.1)**	**430.5**	**745.3**

*The balance in Own shares reserve at 31 December 2021 was previously included within the Retained earnings balance.

The accompanying notes on pages 200 to 204 are an integral part of these financial statements.

Notes to the Company Financial Statements

For the year ended 31 December 2022

1. Corporate information

Ascential plc (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006 and listed on the London Stock Exchange. The registered office is located at 33 Kingsway, London, WC2B 6UF. The registered company number is 09934451. Ascential plc is the parent Company of the Ascential Group (the "Group") and its principal activity is to act as the ultimate holding company of the Group.

2. Company accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued by the Financial Reporting Council.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions for the presentation of a statement of cash flows; disclosure of key management personnel compensation; disclosure of related party transactions between wholly-owned subsidiaries and parents within a group; disclosures required under IFRS 2 "Share-Based Payments" in respect of Group settled share-based payments; disclosures required by IFRS 7 "Financial Instruments: Disclosures"; certain disclosures required under IFRS 13 "Fair Value Measurement"; and disclosure of information in relation to new standards not yet applied.

The financial statements are presented in pounds sterling being the Company's functional currency and have been prepared on a historical cost and going concern basis.

Going Concern

A principal objective of the Group (of which the "Company" is the holding company), is to manage cash and debt to safeguard the Group's ability to continue as a going concern for the foreseeable future and for at least the next 12 months from the date of approving these financial statements. The Group retains sufficient resources to remain in compliance with the financial covenants of its bank facilities. The Directors have also assessed the Group's prospects and viability over a three-year period. The Directors therefore consider it appropriate to adopt the going concern basis in preparing the financial statements. Refer to Note 2 of the consolidated financial statements.

3. Income statement

Fees paid to the auditor during the year for the audit of the Company accounts were £23,100 (2021: £22,000). Fees paid by the Company to the auditor for other services was £nil (2021: £nil).

4. Principal accounting policies

Investments in subsidiaries

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company's subsidiaries is recorded at cost less provisions for impairment. Carrying values are reviewed for impairment either annually, or more frequently if events or changes in circumstances indicate a possible decline in carrying values. The Company uses forecast cash flow information and estimates of future growth to assess whether investments are impaired. If the results of operations in a future period are adverse to the estimates used for impairment testing, an impairment may be triggered at that point.

Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Timing differences are not provided for differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Share-based payments
Certain employees of the Company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions is determined by an external consultant and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet reporting date up to the vesting date, at which point the estimate is adjusted to reflect the actual outcome of awards which have vested. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in the subsidiary's financial statements with the corresponding credit being recognised directly in equity. In cases where a subsidiary is recharged for the share-based payment expense, no such increase in investment is recognised.

Shares held by the Employee Benefit Trust ("EBT")
The EBT provides for the issue of shares to Group employees under share incentive schemes. The Company has control of the EBT and accounts for the EBT as an extension to the Company in the financial statements. Accordingly, shares in the Company held by the EBT are included in the balance sheet at cost as a deduction from equity.

5. Prior year adjustment

During 2022, the Company identified two intercompany transactions in the year ended 31 December 2021 that have required prior period adjustments to be made. The first relates to Ascential plc's purchase of one £1 ordinary share in Ascential Financing Limited for consideration of £200m in settlement of an intercompany loan balance. No accounting entries were made in the 2021 financial statements for this transaction in the Company's accounts. That resulted in an understatement of the investments balance and overstatement of the trade and other receivables balance as at 31 December 2021. This had no impact on the consolidated Group financial statements.

The second relates to the translation of certain intercompany balances held in foreign currencies. Due to the application of an incorrect exchange rate, loss for the year was overstated by £5.6m including the impact of tax. The correcting amounts and the impact on each of the financial statement line items are summarised below. This had no impact on the Consolidated Group financial statements.

	As stated	Adjustment	As restated
Non-current assets			
Investments	452.8	200.0	652.8
Trade and other receivables	341.9	(194.4)	147.5
	794.7	5.6	800.3
Statement of changes in equity			
(Loss) for the year	(5.8)	5.6	(0.2)

Notes to the Company Financial Statements
continued

6. Directors' emoluments

During the years ended 31 December 2022 and 31 December 2021, the Company had one employee other than the Directors. Full details of the Directors' remuneration and interests are set out in the Directors' Remuneration Report on pages 116 to 132.

7. Investments

(£ million)	2022	Restated (Note 5) 2021
At 1 January	**652.8**	452.8
Additions	**–**	200.0
At 31 December	**652.8**	652.8

In 2021 the Company subscribed for one £1 ordinary share in Ascential Financing Limited for consideration of £200m in settlement of an intercompany loan balance.

The Company's subsidiaries, joint ventures and associates are listed below. Unless otherwise stated, all other subsidiaries are indirectly and wholly owned. Flywheel Digital Holdings Limited and Ascential Financing Limited are directly and wholly owned by Ascential plc.

Name	Key
United Kingdom	
Ascential Events (Europe) Limited	UK1
Ascential Financing Limited	UK1
Ascential Group Limited	UK1
Ascential Information Services Limited	UK1
Ascential Operations Limited	UK1
Ascential Radio Financing Limited	UK1
Ascential UK Holdings Limited	UK1
CLR Code Limited	UK1
Digital Commerce Holdings Ltd	UK1
Edge by Ascential Limited	UK1
Flywheel Digital Limited	UK1
Perpetua Labs Limited	UK1
Rembrandt Technology Limited	UK1
Siberia Europe Limited	UK1
Spotlight an Ascential Company Limited	UK1
WGSN Group Limited	UK1
WGSN Limited	UK1
Worth Global Style Network Ltd	UK1
Brazil	
Ascential Serviços de Informação Ltda	BR1
Era Serviços de Inteligência em Software Ltda	BR2
Sistema Use Fashion Comércio de Informações Ltda	BR3
Canada	
Perpetua Labs Ltd	CN1
Cayman Islands	
Flywheel Digital Holdings Limited	CI1
China	
Ascential Data Services (Shanghai) Company Limited	CH1
Clavis Information Technology (Shanghai) Limited	CH2
Hangzhou Duozhun Data Technology Co. Limited (67% owned)	CH3
Hangzhou Yincang Danmu Data Technology Co. Limited	CH4
Shenzhen Yimian Network Technology Co. Limited	CH5
Shenzhen 4KMiles Technologies, Limited.	CH6
Guangzhou 4KMiles Data Technologies, Limited.	CH7
Hangzhou Qianli Chuanyin Data Technology Co. Limited.	CH8
Stylesight Information Technology (Shanghai) Company Limited	CH9
CTIC WGSN China Limited (51% owned)	CH10
Shanghai Coloro Technology Co., Limited (27% owned)	CH11
France	
Ascential Events France SAS	FR1
Germany	
Sellics Marketplace Analytics GmbH	GE1
WGSN GmbH	GE2
Hong Kong	
Flywheel Digital Limited (99% owned)	HK1
Intrepid E-commerce Hong Kong Limited	HK2
HongKong 4KMiles Technology Limited	HK1
HongKong 4K Miles Information Technology Limited	HK1
Stylesight Limited	HK1
India	
Top Right Group India Knowledge Services Private Limited[1]	IN1
Indonesia	
PT Intrepid Ecommerce Services	IO1
Ireland	
Clavis Technology Limited	IR1
Japan	
Ascential Japan Kabushiki-Kaisha	JP1
Jersey	
Ascential Jersey Financing Limited	JE1
Malaysia	
Intrepid Malaysia SDN. BHD.	MY1
Philippines	
Intrepid Philippines Inc.	PH1
Singapore	
Ascential (Singapore) Pte. Limited	SG1
Datamart Solutions Pte. Ltd.	SG2
Intrepid Digital Commerce Pte. Ltd.	SG2
Intrepid E-Commerce Services Pte. Ltd.	SG2
Asian Advertising Festival (Spikes Asia) Pte Limited (50% owned)	SG3
South Africa	
WGSN (Pty) Limited	SA1
Spain	
WGSN Intelligence España SL	SP1
Thailand	
Intrepid Ecommerce Services (Thailand) Co., Ltd.	TH1
Intrepid Trading (Thailand) Co., Ltd. (49% owned)	TH1
Turkey	
WGSN Group Trend Forecasting Moda Danişmanlik Hizmetleri Limited Şirketi	TR1
United States	
Ascential Inc.	US1
CLR Code LLC	US1
Edge by Ascential, LLC	US1
Flywheel Digital LLC (Maryland)	US2
Flywheel Digital LLC (Washington)	US3

HMX Merger Sub, Inc.	US1
Perpetua Labs, Inc.	US1
OneSpace Inc.	US1
Spotlight Digital Commerce LLC	US1
WhyteSpyder LLC	US4
4KMiles Tec Limited	US3
Hudson MX, Inc. (8% owned)	US1
ASR Group Holdings LLC (51% owned)	US1
Hyperdrive LLC (51% owned)	US5
Pet Gear LLC (51% owned)	US6
We Love Best LLC (51% owned)	US6
Recon Commerce LLC (51% owned)	US7
HBW Commerce LLC (51% owned)	US6
Market Bound LLC (51% owned)	US8
Fascam LLC (51% owned)	US9
Vietnam	
Datamart Viet Nam Company Limited	VT1
Intrepid Vietnam Company Limited	VT2

Key	Address
UK1	33 Kingsway, London, WC2B 6UF, United Kingdom
US1	251 Little Falls Drive, Wilmington, New Castle, Delaware, 19808, United States
US2	7 St. Paul Street, Suite 820, Baltimore, Maryland, 21202, United States
US3	300 Deschutes Way SW, Suite 304, Tumwater, Washington, 98501, United States
US4	300 Spring Building, Suite 900, 300 S. Spring Street, Little Rock, Arkansas, 72201, United States
US5	55614 Cardinal Drive, South Bend, Indiana, 46619, United States
US6	6605 Longshore Street, Suite 240 #107, Deblin, Ohio, 43017, United States
US7	7877 MeadowHaven BLVD. Columbus, Ohio, 43235, United States
US8	15 West South Temple, Suite 600 Salt Lake City, Utah, 84101, United States
US9	1221 College Park Drive Ste 116, Dover, Delaware, 19904, United States
BR1	Rua Tabapuã 841, Conjunto 15, 1° Andar, São Paulo, 04533-013, Brazil
BR2	Alameda Jaú, 1754 – 10° andar – Jardim Paulista, São Paulo – SP, Brazil
BR3	Av. Unisomos, no. 950, Condomínio Padre Rick – 410, São João Batista, City of São Leopoldo, State of Rio Grande do Sul, 93022-970, Brazil
CN1	Suite 2600, Three Bentall Centre, 595 Burrard Street, PO Box 49314, Vancouver, V7X 1L3, Canada
CI1	Walkers Corporate Limited, 10 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands
CH1	Unit 3106/3107, No.968, West Beijing Road, Jing'an District, Shanghai, People's Republic of China
CH2	Unit 3105/3108, No.968, West Beijing Road, Jing'an District, Shanghai, People's Republic of China
CH3	Building 9, 998 Wenyi West Road, Wuchang Avenue, Yuhang District, Hangzhou, Zhejiang, People's Republic of China
CH4	Unit 547, Building 6, 16 Zhuantang Science and Technology Economic Zone, Xihu District, Hangzhou, Zhejiang, People's Republic of China
CH5	Unit 4701, China Energy Storage Building, 3099 KeYuan South Road, Nanshan District, Shenzhen, Guangdong, People's Republic of China
CH6	Room 2005H, Tower B, Zhongshen Park, 2010 Caitian Road, Fushan Community, Futian District, Shenzhen, People's Republic of China
CH7	Room 302, Building 4, 6 Bohui Street, Tianhe District, Guangzhou, People's Republic of China
CH8	Room 1102, Floor 11, Hui He Xi Fu Hui Building 3, Jianggan District, Hangzhou, People's Republic of China
CH9	Room 617, 28 Tan Jia Du Road, Putuo District, Shanghai,People's Republic of China
CH10	Unit 502, Floor 5, Building 4, No.300, Dingyuan Road, Songjiang District, Shanghai, People's Republic of China
CH11	Floor 2-4, Building 4, No. 300, Dingyuan Road, Songjian District, Shanghai, People's Republic of China
FR1	43-47 avenue de la Grande Armée, 75116 Paris, France
GE1	Linienstrasse 214, 10119, Berlin, Germany
GE2	Venloer Strasse 310-316, 50823 Cologne, Germany
HK1	23rd Floor, Lee Garden Six, 111 Leighton Road, Causeway Bay, Hong Kong
HK2	RM 302, 3/F Malaysia Bldg, 47-50 Gloucester Rd, Hong Kong
IN1	Options Primo, Unit No. 501/502, 5 Floor, Vijay Nagar Flyover Bridge Cross Road, No. 21 MIDC, Andheri (E) Mumbai-400093, Maharashtra, India
I01	COHIVE 101, 5th Floor, Mega Kuningan Area, Jalan Mega Kuningan Barat Block E4-7, number 1, Kuningan Timur, Setiabudi, South Jakarta City 12950, DKI Jakarta Province, Indonesia
IR1	9th floor, O'Connell Bridge House, D'Olier Street, Dublin 2, Ireland
JP1	Kamiyacho Trust Tower 22nd floor, 4-1-1 Toranomon, Minato-ku, Tokyo Postal Code 105-6923, Japan
JE1	44 Esplanade, St Helier, Jersey, JE4 9WG, Channel Islands
MY1	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No 8 Jalan Kerinchi, Kuala Lumpur, Wilayah Persekutuan, 59200, Malaysia
PH1	Unit 2803, 28th Floor, Trade and Financial Tower, 7th Avenue corner 32nd Street, Bonifacio Global City, Taguig, 1630, Philippines
SG1	133 New Bridge Road, Chinatown Point #08-03, 059413, Singapore
SG2	80 Robinson Road, #02-00, 068898, Singapore
SG3	182 Cecil Street, Level 17 Frasers Tower, 069547, Singapore
SA1	Workshop17, 32 Kloof Street Gardens, Cape Town 8000, South Africa
SP1	C/ San Elías 29-35, 5°, 08006 Barcelona, Spain
TH1	518/5 Floor No. 11, Maneeya Center Tower, Phloen Chit Road, Lumpini Sub-District, Phatumwan District, Bangkok, Thailand
TR1	Cevdetpasa Caddesi, No. 31/7 Bebek, 34342 Istanbul, Turkey
VT1	Floor 5, B&L Building, 119-121 Ung Van Khiem, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam
VT2	Floor 11, No. 87A Ham Nghi Street, Nguyen Thai Bing Ward, District 1, Ho Chi Minh City, Vietnam

For the year ended 31 December 2022, the below companies were exempt from the requirement for audit of individual financial statements in accordance with section 479A of the Companies Act 2006. Ascential plc has indirect holdings in these subsidiary undertakings, with the exception of Ascential Financing Limited which is directly owned:

- WGSN Group Limited, registration number 8256689
- Rembrandt Technology Limited, registration number 11120186
- Ascential UK Holdings Limited, registration number 537204
- Ascential Financing Limited, registration number 9938180
- Siberia Europe Limited, registration number 9076366
- Ascential Operations Limited, registration number 08255890

Notes to the Company Financial Statements
continued

8. Trade and other receivables

(£ million)	2022	Restated (Note 5) 2021
Debtors – due within one year		
Prepayments	**0.5**	0.2
	0.5	0.2
Debtors – due after more than one year		
Deferred tax asset	**0.5**	0.5
Amounts due from Group undertakings	**93.5**	147.5
	94.0	148.0
Total	**94.5**	148.2

Amounts due from Group undertakings are repayable on demand but the directors do not have the intention of recalling them and intend that these will be settled after a year. Consequently, based on intention, these have been classified as non-current.

Amounts due from Group undertakings accrue interest at various rates, are unsecured and are repayable on demand. There are no material expected credit loss provisions.

Deferred tax asset

(£ million)	2022	2021
At 1 January	**0.5**	0.8
Deferred tax credit in equity	**(0.6)**	0.1
Deferred tax credit in income statement for the year	**0.6**	(0.4)
At 31 December	**0.5**	0.5

The Directors consider that it is more likely than not that there will be sufficient taxable profits in the Group in the future such as to realise the deferred tax asset of the Company and therefore the asset has been recognised in these financial statements.

In June 2021, it was announced that from 1 April 2023, there would be an increase in the rate of UK corporation tax from 19% to 25%. Deferred tax as at 31 December 2022 has been calculated at the 25% rate.

9. Trade and other payables – due within one year

(£ million)	2022	2021
Amounts due to Group undertakings	**–**	0.1
Trade payables	**0.3**	–
Accruals	**0.8**	0.7
Other taxation and social security	**0.9**	2.0
Total	**2.0**	2.8

Amounts due to Group undertakings are interest free, unsecured and repayable on demand.

10. Trade and other payables – due after more than one year

(£ million)	2022	2021
Amounts due to Group undertakings	**–**	55.8
Total	**–**	55.8

Amounts due to Group undertakings accrue interest at the relevant IBOR or Risk Free Rate plus 1.25%, are unsecured and repayable on 31 July 2024.

11. Share capital and reserves

Refer to Note 25 of the consolidated Group financial statements.

12. Related party transactions

The Company has taken advantage of the exemption under FRS 102 and therefore has not disclosed related party transactions with wholly owned subsidiaries. The Company has no other related party transactions other than the compensation of key management personnel, set out in Note 27 of the consolidated Group financial statements.

13. Commitments and contingencies

The Company is a guarantor to the facility described in Note 23 of the consolidated Group financial statements.

During the year the Company was a member of the Group cash pooling arrangement. This allows the Group to combine the liquidity of companies within the Group in order to distribute such cash centrally as required.

The Company is registered with H.M. Revenue & Customs as a member of the Ascential Group Limited group for Value Added Tax and Pay As You Earn purposes and is therefore jointly and severally liable on a continuing basis for amounts owing by other members of the Group in respect of their value added tax, income tax and national insurance contributions liabilities.

14. Events after the reporting date

Refer to Note 31 of the consolidated Group financial statements. There were no other reportable events after 31 December 2022.

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