ERGOMED

PRESS RELEASE

Interim results for the six months ended 30 June 2022

Strong H1 performance: resilience, sustainable high growth and positive outlook

- ***Total revenue £69.9 million, up 24.8% over H1 2021***
- ***Adjusted EBITDA £13.8 million, at 23.0% of Service Fee Revenue***
- ***Total order book of £284.5 million, up 18.7% since 1 January 2022 and up 24.9% over H1 2021, underpins forward visibility***
- ***ADAMAS acquisition completed and trading in line with expectations***
- ***Cash balance of £12.0 million (after £24.2 million net cash purchase of ADAMAS) with available debt facilities increased to £80.0 million***
- ***Trading in line with current market expectations***

Guildford, UK – 27 September 2022: Ergomed plc (LSE: ERGO) ("Ergomed"' or the "Company"), a company focused on providing specialised services to the global pharmaceutical industry, announces its interim results for the six months ended 30 June 2022.

Financial Summary

Figures in £ millions, unless otherwise stated	**First Half 2022**	**First Half 2021**	***% change***
Total Revenue	**69.9**	**56.0**	*24.8*
Service Fee Revenue (*Note 1*)	*59.8*	*47.6*	*25.6*
Gross Profit	**28.9**	**23.0**	*25.7*
Gross Margin (%)	*41.4%*	*41.1%*	*0.3 ppts*
Gross Margin Service Fee (%) (Note 2)	*48.4%*	*48.2%*	*0.2 ppts*
Adjusted EBITDA (*Note 3*)	**13.8**	**12.1**	*13.6*
Cash at 30 June	**12.0**	**24.6**	*(51.3)*
Order book at 30 June	**284.5**	**227.8**	*24.9*
Basic adjusted earnings per share *(pence) (Note 4)*	**20.4p**	**16.8p**	*21.4*

Notes:
(1) Service Fee Revenue is defined as Total Revenue less Pass-through Revenue. Pass-through Revenue is revenue earned with zero-margin.
(2) Gross Margin Service Fee (%) is defined as Service Fee Gross Profit divided by Service Fee Revenue.
(3) Adjusted EBITDA is defined as operating profit for the period plus depreciation and amortisation, share-based payment charge, and other income and costs further detailed in Note 7 to the financial statements.
(4) Basic adjusted earnings per share is defined as basic earnings per share after adjustment for certain income and costs detailed in Note 3 to the financial statements.

Dr Miroslav Reljanović, Executive Chairman of Ergomed, said:

"Ergomed has delivered further significant strategic progress in H1 2022 with continued strong organic growth, ongoing delivery of value from recent acquisitions including ADAMAS, and further organic expansion into new geographies of strategic importance. Alongside this, we have further strengthened the Company's Board and leadership team, laying the foundations for the next steps of our growth strategy. Ergomed has a robust and resilient business model which is delivering a high level of sustainable growth at a time of wider challenges in the global macro-environment. We look forward with confidence to the rest of this year and beyond."

Key Financial Highlights

- Revenue of £69.9 million (H1 2021: £56.0 million) increased by 24.8% (up 20.0% in constant currency)
  - Pharmacovigilance (PV) division delivered strong growth with revenue up 23.4% (up 18.7% in constant currency) to £35.6 million (H1 2021: £28.8 million)
  - Clinical Research Services (CRO) division delivered strong growth with revenue up 26.2% (up 21.4% in constant currency) to £34.3 million (H1 2021: £27.2 million)

- Gross profit up 25.7% to £28.9 million (H1 2021: £23.0 million)
- Adjusted EBITDA at 23% of Service Fee Revenue and up 13.6% to £13.8 million (H1 2021: £12.1 million)
- Basic adjusted EPS up 21.4% to 20.4p (H1 2021: 16.8p)
- Cash and cash equivalents of £12.0 million after payment of £24.2 million net cash for ADAMAS acquisition

Strategic & Operational Highlights

- Order book of £284.5 million future contracted revenue up 18.7% in H1 2022 (31 December 2021: £239.7 million) and up 24.9% over H1 2021
- North America revenues up 24.7% to £44.3 million (H1 2021: £35.5 million)
- Organic investment in complementary geographies, service offerings, strategic leadership hires and technology
- Operational integration of ADAMAS into Ergomed's business well advanced with further significant synergistic benefits expected
- Establishment of the Ergomed Rare Disease Innovation Centre
- Available debt facilities increased to £80.0 million

Webcast and conference call for analysts:
A webcast and conference call for analysts will be held at 9.30 am BST today.

Webcast link: https://www.lsegissuerservices.com/spark/Ergomed/events/750dcfbe-a928-4a7e-9d63-7e60bf93acdd

Conference call registration: https://cossprereg.btci.com/prereg/key.process?key=P9G9JY8F4

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About Ergomed plc
Ergomed provides specialist services to the pharmaceutical industry spanning all phases of clinical development, post-approval pharmacovigilance and medical information. Ergomed's fast-growing services business includes an industry-leading suite of specialist pharmacovigilance (PV) solutions, integrated under the PrimeVigilance brand, a full range of high-quality clinical research and trial management services under the Ergomed brand (CRO) and mission-critical regulatory compliance and consulting services under the ADAMAS brand. For further information, visit: http://ergomedplc.com.

Forward-looking Statements

Certain statements contained within the announcement are forward-looking statements and are based on current expectations, estimates and projections about the potential results of Ergomed plc (“Ergomed”) and the industry and markets in which Ergomed operates, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline" and variations of such words and similar expressions are intended to identify such forward-looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment.

These forward-looking statements speak only as of the date of this announcement. Ergomed expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in Ergomed’s expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

INTERIM MANAGEMENT REPORT

OPERATIONAL REVIEW

Introduction

Ergomed continued to make significant strategic progress in the first half of 2022, delivering a further period of robust operational and financial performance. These results demonstrate Ergomed’s resilient business model, which has enabled us to continue to deliver strong growth and invest for the future during a period of significantly more challenging macro-economic circumstances. Alongside high organic revenue and adjusted EBITDA growth, the Company achieved further growth through the acquisition of ADAMAS, acquired with cash generated organically by the business. This strong financial performance underlines the value of Ergomed’s robust services model and the strength of the Company’s foundations for continued long-term growth.

Notwithstanding the wider macro-economic situation, the first half of 2022 saw continuing favourable market dynamics within Ergomed’s specialist areas of rare disease, oncology, pharmacovigilance and GXP audit. The global regulatory environment continues to evolve, with increasing legislation that creates complexity and drives the need for specialised outsourcing. In both clinical trials and pharmacovigilance, innovation and the adoption of digital technologies are increasing, with added impetus for these trends driven by the COVID-19 pandemic. Ergomed has continued to strengthen its position in its chosen markets with ongoing organic investment in complementary geographies, service offerings, strategic leadership hires and technology, to take advantage of these favourable market trends and build for the future. This has been further augmented by the addition to the Group of the ADAMAS business and its strong brand. These operational improvements across the Group are contributing to the increased order book and driving sustainable growth.

Financial summary

Ergomed reported a strong financial performance in the first half of 2022 with total revenues of £69.9 million (H1 2021: £56.0 million), an increase of 24.8% (20.0% in constant currency). Service fee revenues of £59.8 million (H1 2021: £47.6 million) were up 25.6% (20.7% in constant currency) over H1 2021. This increase in revenues was driven by a robust order book at the beginning of 2022, combined with substantial levels of new business wins throughout the first half. Revenue growth in North America continued and was up 24.7% compared to H1 2021.

Adjusted EBITDA in H1 2022 was 23.0% of service fee revenues in the first half of 2022 and was up 13.6% to £13.8 million compared to £12.1 million in H1 2021.

Cash generation in H1 2022 continued to be strong. After the payment of £24.2 million net cash on the ADAMAS acquisition, funded internally through organic cash generation, cash and cash equivalents at 30

June 2022 was £12.0 million (H1 2021: £24.6 million). The Company continues to be debt free with available banking facilities of £80.0 million, comprising a £50.0 million facility and an additional £30.0 million accordion, available to support continued growth.

Operational summary

Ergomed had an excellent first half, demonstrating strong overall growth in revenue underpinned by strong demand for its services across all areas of the business.

Ergomed has continued to develop internationally to meet global demand for its services in both the Clinical Research Services and PrimeVigilance divisions. Growth in the US is continuing, with strong organic growth supported by recent acquisitions with US presence, including ADAMAS. The Company's new operation in Japan, the fourth largest pharmaceutical market in the world, is continuing to grow, and recently opened subsidiaries to develop operational capabilities in key European countries which have further bolstered international growth and future prospects.

A strong business development performance saw net sales of new business for H1 2022 increase by 19.8% to £108.8 million (H1 2021: £90.8 million), benefiting from continuing investment in business development in both the CRO and PrimeVigilance businesses and the significantly strengthened US and international presence. The order book continues to grow and reached £284.5 million at the end of H1 2022, up 18.7% from £239.7 million at 31 December 2021 and up 24.9% over H1 2021, providing excellent visibility of contracted revenues into the second half of 2022 and beyond.

The increase in total revenues of 24.8% to £69.9 million (H1 2021: £56.0 million) was achieved with notable growth in both the PrimeVigilance and Clinical Research Services businesses.

PrimeVigilance

Ergomed's pharmacovigilance (PV) business saw total revenue increase to £35.6 million in H1 2022 from £28.8 million in H1 2021, up by 23.4% (18.7% in constant currency). Reported gross profit increased from £14.7 million to £18.3 million, up 24.8%, whilst gross margin increased to 51.4% (H1 2021: 50.7%).

The significant increase in PrimeVigilance revenue in the first half of 2022 was driven by steady sales and repeat business, as the division continued to demonstrate its long-term resilience and ability to generate sustained growth during a time of macroeconomic challenges. Further substantial progress was achieved in the development and deployment of proprietary automation technology. PrimeVigilance also invested further in training and skills development across its existing team, whilst continuing to attract senior industry experts to join the business. These investments enabled organisational improvements to further enhance efficiency and productivity.

Alongside this, client engagement through strategic partnerships and governance oversight has continued to foster long-term alignment and commitment to drive future growth. Service expansion has been attained through a strategy of differentiated product focus, enabling delivery of tailored solutions to meet the increasingly complex global pharmacovigilance regulations.

Clinical Research Services (CRO)

Ergomed's CRO business saw total revenue increase to £34.3 million in H1 2022 from £27.2 million in H1 2021, up by 26.2% (21.4% in constant currency). Reported gross profit increased by 27.2% to £10.6 million (H1 2021: £8.4 million) and service fee gross margin remained robust at 43.4% (H1 2021: 44.2%).

The CRO business has seen further robust growth in the first half of 2022, including a number of major new contract awards. Ergomed's CRO business recently celebrated 25 years since its foundation and has continued its long tradition of specialism and innovation with the launch in February 2022 of the Ergomed Rare Disease Innovation Centre, providing tailored and innovative solutions for sponsors of rare disease drug development programmes.

M&A Activity

Ergomed completed the acquisition of ADAMAS, an international specialist consultancy offering a full range of independent quality assurance services, on 9 February 2022. The operational integration of ADAMAS into Ergomed's business is well advanced, with further significant synergistic benefits expected. The acquisition was completed using internally generated cash resources. The Company continues to review acquisition opportunities to further grow the CRO and PV businesses and deliver enhanced shareholder value, in line with its disciplined M&A strategy.

Strengthening of the Board and senior leadership team

During the first half of 2022, John Dawson, CBE joined the Board as an independent Non-Executive Director and Chair of the Audit Committee, and Anne Whitaker joined as an independent Non-Executive Director. The Company has continued to attract senior executives with highly relevant experience and expertise in our areas of CRO and PV specialisation, with recent key appointments in commercial leadership roles.

Current trading and outlook

Ergomed has delivered further significant strategic progress in H1 2022 with continued strong organic growth, ongoing delivery of value from recent acquisitions including ADAMAS, and further organic expansion into new geographies of strategic importance. Alongside this, we have further strengthened the Company's Board and leadership team, laying the foundations for the next steps of our growth strategy. Ergomed has a robust and resilient business model and is delivering a high level of sustainable growth at a time of wider challenges in the global macro-environment. The Company is trading in line with current market expectations and we look forward with confidence to the rest of this year and beyond.

Dr Miroslav Reljanović
Executive Chairman

FINANCIAL REVIEW

The primary financial statements of Ergomed plc for the six months ended 30 June 2022 are presented later in this announcement along with the key accounting policies, notes to the financial statements and the independent review report from KPMG.

Key performance indicators

The Directors consider the principal financial performance indicators of the Group to be:

£ million *(unless stated otherwise)*	**H1 2022**	**H1 2021**
Total revenue	69.9	56.0
Gross profit	28.9	23.0
Gross margin % on service fee revenue	48.4%	48.2%
Profit after tax	7.3	6.6
Adjusted EBITDA *(Note 7)*	13.8	12.1
Cash and cash equivalents	12.0	24.6
Cash generated from operating activities	12.0	11.0
Basic adjusted earnings per share *(Note 3)*	20.4p	16.8p

Consolidated income statement

Total revenue on a reported basis for the six months ended 30 June 2022 was £69.9 million (H1 2021: £56.0 million), an increase of 24.8% (20.0% on a constant currency basis), driven by growth in the PV division (up 23.4%) and the CRO division (up 26.2%), including revenues of £4.0 million in ADAMAS acquired on 9 February 2022. Revenues in the key North American market grew by 24.7% to £44.3 million (H1 2021: £35.5 million).

Gross profit was £28.9 million and service fee gross margin was 48.4% (H1 2021: gross profit £23.0 million and service fee gross margin 48.2%), the slightly higher gross margin percentage being an anticipated result of favourable foreign exchange and underlying organic revenue growth. Selling, general and administration expenses including acquisition related costs were £20.2 million (H1 2021: £14.8 million). Research and development costs expensed in the period were £0.05 million (H1 2021: £0.04 million).

Adjusted EBITDA increased by 13.6% to £13.8 million in H1 2022 from £12.1 million in H1 2021, with profit after tax up 10.3% at £7.3 million (H1 2021: £6.6 million). Basic adjusted earnings per share was up 21.4% to 20.4p (H1 2021: 16.8p).

Consolidated balance sheet

Net assets increased by £7.9 million during the first half of 2022 and amounted to £75.1 million at 30 June 2022 (31 December 2021: £67.2 million) including net cash and cash equivalents of £12.0 million (31 December 2021: £31.2 million).

Consolidated cash flow statement
At 30 June 2022, the Group's net cash balance was £12.0 million, after the £24.2 million net cash purchase of ADAMAS in February 2022.

Cash generated from operating activities was £12.0 million (H1 2021: £11.0 million) before changes in working capital, representing 86.9% of adjusted EBITDA in H1 2022. Ergomed has no debt and has increased its multi-currency revolving credit facility (RCF) from £30.0 million to £80.0 million, comprising a £50.0 million facility and an additional £30.0 million accordion.

Net outflows from investing activities increased to £24.7 million (H1 2021: £0.9 million) due to the £24.2 million net cash purchase of ADAMAS. Net outflows on financing activities for the period of £1.0 million were primarily related to lease costs and interest paid.

Richard Barfield
Chief Financial Officer

Independent Review Report to Ergomed plc

Conclusion

We have been engaged by the Ergomed plc ("the Entity" or "the Group") to review the Entity's condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises condensed Consolidated Income Statement, condensed Consolidated Statement of Comprehensive Income, condensed Consolidated Balance Sheet, condensed Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as contained in the UK adopted International Accounting Standards and the AIM Rules.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the* Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Entity to cease to continue as a going concern, and the above conclusions are not a guarantee that the Entity will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules.

The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as contained in the UK adopted International Accounting Standards .

As disclosed in note 1, the annual financial statements of the Entity for the year ended 31 December 2021 are prepared in accordance with UK-adopted international accounting standards.

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

Our responsibility

Our responsibility is to express to the Entity a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Entity in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Entity those matters we are required to state to it in this 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 Entity for our review work, for this report, or for the conclusions we have reached.

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2,
Ireland.

26 September 2022

Condensed Consolidated Income Statement
For the six months ended 30 June 2022

	Note	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
		£000s	£000s	£000s
REVENUE	2	69,917	56,042	118,581
Cost of sales		(30,851)	(24,671)	(52,191)
Reimbursable expenses		(10,139)	(8,354)	(18,028)
GROSS PROFIT		28,927	23,017	48,362
Selling, general and administrative expenses		(20,163)	(14,848)	(34,877)
Selling, general and administrative expenses comprises:				
Other selling, general and administrative expenses		(17,363)	(13,201)	(27,736)
Amortisation of acquired intangible assets		(1,404)	(728)	(1,599)
Share-based payment charge		(557)	(431)	(817)
Contingent consideration for acquisitions		-	-	(2,949)
Acquisition costs	6	(839)	(488)	(1,776)
Research and development expenses		(47)	(36)	(130)
Net impairment reversal/(loss) on trade receivable and contract assets		287	(533)	(324)
Other operating income	5	385	926	1,593
OPERATING PROFIT		9,389	8,526	14,624
Finance income		-	1	1
Finance costs	4	(239)	(213)	(361)
PROFIT BEFORE TAXATION		9,150	8,314	14,264
Taxation	8	(1,836)	(1,681)	(1,590)
PROFIT FOR THE PERIOD		7,314	6,633	12,674

All activities in the current and prior periods relate to continuing operations.

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
	£000s	£000s	£000s
OTHER COMPREHENSIVE INCOME			
Profit for the period	**7,314**	**6,633**	**12,674**
Exchange differences on translation of foreign operations	2,121	(1,001)	(682)
Other comprehensive income for the period net of tax	2,121	(1,001)	(682)
Total comprehensive profit for the period	**9,435**	**5,632**	**11,992**

All activities in the current and prior periods relate to continuing operations.

	Note	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
		£000s	£000s	£000s
EARNINGS PER SHARE	3			
Basic		14.8p	13.6p	26.1p
Diluted		14.2p	13.0p	25.1p

	Note	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
		£000s	£000s	£000s
ADJUSTED EARNINGS PER SHARE	3			
Basic		20.4p	16.8p	41.1p
Diluted		19.6p	16.1p	39.4p
ADJUSTED EBITDA (Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation)	7	13,760	12,111	25,423

Condensed Consolidated Balance Sheet
As at 30 June 2022

	Note	Unaudited 30 June 2022	Unaudited 30 June 2021	Audited 31 December 2021
		£000s	£000s	£000s
Non-current assets				
Goodwill	9	41,076	25,646	23,903
Other intangible assets	10	16,910	7,683	7,653
Property, plant and equipment		1,974	1,957	1,966
Right-of-use assets		2,639	3,731	2,691
Deferred tax asset		6,999	5,343	9,433
		69,598	44,360	45,646
Current assets				
Trade and other receivables	11	30,653	21,966	25,143
Contract assets (accrued revenue)		9,198	4,268	3,958
Cash and cash equivalents	12	11,973	24,571	31,243
		51,824	50,805	60,344
Total assets		121,422	95,165	105,990
Current liabilities				
Lease liabilities		(1,322)	(1,338)	(1,249)
Trade and other payables	13	(15,469)	(13,082)	(14,946)
Derivative Liability		(783)	(98)	(261)
Contract liabilities (deferred revenue)		(22,975)	(15,489)	(17,752)
Current tax liability		(468)	(1,676)	(1,172)
		(41,017)	(31,683)	(35,380)
Net current assets		10,807	19,122	24,964
Non-current liabilities				
Lease liabilities		(1,264)	(2,429)	(1,432)
Provisions		(19)	(19)	(19)
Deferred tax liability		(4,069)	(2,101)	(1,920)
		(5,352)	(4,549)	(3,371)
Total liabilities		(46,369)	(36,232)	(38,751)
Net assets		75,053	58,933	67,239
Equity				
Share capital	14	499	490	493
Share premium account		711	116	545
Merger reserve		1,349	1,349	1,349
Share-based payment reserve		6,416	5,473	5,859
Translation reserve		2,054	(386)	(67)
Retained earnings		64,024	51,891	59,060
Total equity		75,053	58,933	67,239

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2022

	Share capital	Share premium account	Merger reserve	Share-based payment reserve	Translation reserve	Retained earnings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 January 2021	**489**	**3**	**1,349**	**5,042**	**615**	**45,368**	**52,866**
Profit for the period	-	-	-	-	-	6,633	6,633
Other comprehensive income for the period	-	-	-	-	(1,001)	-	(1,001)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,001)**	**6,633**	**5,632**
Shares issued on exercise of share options	1	113	-	-	-	-	114
Equity-settled share-based payment charge	-	-	-	431	-	-	431
Deferred tax credit taken directly to equity	-	-	-	-	-	(110)	(110)
Total transactions with shareholders in their capacity as shareholders	**1**	**113**	**-**	**431**	**-**	**(110)**	**435**
Balance at 30 June 2021	**490**	**116**	**1,349**	**5,473**	**(386)**	**51,891**	**58,933**
Profit for the period	-	-	-	-	-	6,041	6,041
Other comprehensive income for the period	-	-	-	-	319	-	319
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**319**	**6,041**	**6,360**
Shares issued on exercise of share options	3	429	-	-	-	-	432
Equity-settled share-based payment charge	-	-	-	386	-	-	386
Deferred tax credit taken directly to equity	-	-	-	-	-	1,128	1,128
Total transactions with shareholders in their capacity as shareholders	**3**	**429**	**-**	**386**	**-**	**1,128**	**1,946**
Balance at 31 December 2021	**493**	**545**	**1,349**	**5,859**	**(67)**	**59,060**	**67,239**
Profit for the period	-	-	-	-	-	7,314	7,314
Other comprehensive income for the period	-	-	-	-	2,121	-	2,121
Total comprehensive income for the period	-	-	-	-	2,121	7,314	**9,435**
Shares issued on exercise of share options	6	166	-	-	-	-	172
Share-based payment charge	-	-	-	557	-	-	557
Deferred tax credit taken directly to equity	-	-	-	-	-	(2,350)	(2,350)
Total transactions with shareholders in their capacity as shareholders	**6**	**166**	**-**	**557**	**-**	**(2,350)**	**(1,621)**
Balance at 30 June 2022	**499**	**711**	**1,349**	**6,416**	**2,054**	**64,024**	**75,053**

Condensed Consolidated Cash Flow Statement
For the six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
	£000s	£000s	£000s
Cash flows from operating activities			
Profit for the period	7,314	6,633	12,674
Adjustment for:			
Amortisation and depreciation	2,937	2,623	5,046
Profit on disposal of non-current assets	(28)	(145)	(413)
Share-based payment charge	557	431	817
RDEC income	(293)	(559)	(956)
Finance costs	239	213	361
Other non-cash movements	(609)	162	(25)
Exceptional Items (Earn-out on acquisitions)	-	-	2,949
Tax expense	1,836	1,681	1,590
Operating cash flow before changes in working capital and provisions	**11,953**	**11,039**	**22,043**
Decrease/(increase) in trade, other receivables and accrued revenue	(8,765)	1,672	367
(Decrease)/increase in trade, other payables and deferred revenue	4,536	(1,833)	217
(Decrease)/increase in provisions	-	(298)	(298)
Cash generated from operating activities	**7,724**	**10,580**	**22,329**
Taxation paid	(2,346)	(2,059)	(3,646)
Net cash from operating activities	**5,378**	**8,521**	**18,683**
Cash flows from investing activities			
Finance income received	-	1	1
Acquisition of intangible assets	(124)	(14)	(30)
Acquisition of property, plant and equipment	(344)	(545)	(953)
Proceeds from the sale of property, plant and equipment	6	14	103
Acquisition of subsidiaries, net of cash acquired	(24,243)	-	-
Acquisition related earn-out paid	-	(318)	(3,267)
Net cash used in investing activities	**(24,705)**	**(862)**	**(4,146)**
Cash flows from financing activities			
Proceeds from the issue of new ordinary shares	172	114	546
Finance costs paid	(169)	(105)	(169)
Payment of lease liabilities	(964)	(1,607)	(2,490)
Proceeds from borrowings	15,000	-	-
Repayment of borrowings	(15,000)	-	-
Net cash (used in)/from financing activities	**(961)**	**(1,598)**	**(2,113)**
Net (decrease)/ increase in cash and cash equivalents	**(20,288)**	**6,061**	**12,424**
Effect of foreign currency on cash balances	1,018	(484)	(175)
Cash and cash equivalents at start of the period	31,243	18,994	18,944
Cash and cash equivalents at end of period	**11,973**	**24,571**	**31,243**

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Notes to the Condensed Consolidated Financial Statements
For the six months ended 30 June 2022

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the UK.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for the fair value of certain financial instruments which are further detailed in note 16.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2021.

These condensed consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. A copy of the Group's audited statutory accounts for the year ended 31 December 2021 were approved by the Board of Directors and have been delivered to the Registrar of Companies. The audit report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

Risks and uncertainties

An outline of the key risks and uncertainties faced by the Group was described in the Annual Report and Accounts 2021 which is available on the Company website (www.ergomedplc.com). The principle risks were: Cancellation or delay of clinical trials or projects by customers including as a result of COVID-19; Lower contacted order book realisation of sales pipeline to contract; significant regional or national event (pandemic, natural disaster, conflict or terrorism; Quality and third party oversight ('TPO'); Information security; Access to capital; Retention of senior and key employees; Dependence on a limited number of key clients; and Data privacy.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.
The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements and are summarised below.

Source of estimation uncertainty	Overview
Bad debt provision	The Group had provisions against trade receivables at the period end of £344,000 (2021: £627,000) which resulted in a credit to the Income Statement in the period of £287,000 (2020: charge of £533,000).
Impairment of goodwill	The impairment provision against goodwill at the period end was £2,143,000 (2021: £2,143,000) and related fully against the investment in Haemostatix Limited. £nil (2021: £nil) was charged to the Income Statement in the period.
Revenue from customer contracts	Revenue for CRO services is recognised based on the costs incurred on a project as a proportion of total expected costs to determine a percentage of completion which is applied to the estimate of the transaction price. Given the long-term nature and complexity of clinical trials, estimation is used to determine the forecast costs to complete, which can impact the timing and value of revenue recognised for the CRO business.

Going concern

The interim financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future, being a period of no less than 12 months from the date these interim financial statements are approved. The Directors have reviewed cash flow forecasts for the period through to 31 December 2025, which is derived from the 2022 Board approved budget and a medium-term cash flow forecast through to 31 December 2025, which is an extrapolation of the approved budget under multiple scenarios and growth rates. The 2022 budget and medium-term forecast represents the Directors' best estimate of the Group's future performance and necessarily includes a number of assumptions, including the level of revenues. The 2022 budget and medium-term forecast demonstrate that the Directors have a reasonable expectation that the Group will be able to meet its liabilities as they fall due for a period of at least 12 months from the date these interim financial statements are approved.

On the basis of the above factors and, having made appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim financial statements.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred on acquisition is the fair value at the date of transaction for assets and liabilities transferred. All acquisition related costs are expensed as incurred.

Goodwill arises as the excess of acquisition cost over the fair value of the assets transferred at the date of transaction. Goodwill is reviewed for impairment annually and is carried at cost less accumulated impairment losses. Impairment losses are not reversed in subsequent periods.

Goodwill arising on the acquisition of a foreign operation, including any fair value adjustments to the carrying amounts of assets or liabilities on the acquisition, are treated as assets and liabilities of that foreign operation in accordance with IAS 21 and as such are translated at the relevant foreign exchange rate at the statement of financial position date.

2. REVENUE AND OPERATING SEGMENTS

The Group's revenue is disaggregated by geographical market and major service lines:

30 June 2022 Geographical market and major service lines

	CRO services	PV services	Total services
	£000s	£000s	£000s
Geographical market by client location			
UK	6,046	4,021	10,067
Rest of Europe, Middle East and Africa	6,180	6,470	12,650
North America	20,231	24,026	44,257
Asia	1,868	935	2,803
Australia	4	136	140
	34,329	35,588	69,917

30 June 2021 Geographical market and major service lines

	CRO services	PV services	Total services
	£000s	£000s	£000s
Geographical market by client location			
UK	2,444	4,534	6,978
Rest of Europe, Middle East and Africa	4,058	6,243	10,301
North America	18,843	16,661	35,504
Asia	1,860	1,399	3,259
Australia	-	-	-
	27,205	28,837	56,042

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31 December 2021 Geographical market and major service lines

	CRO services	PV services	Total services
	£000s	**£000s**	**£000s**
Geographical market by client location			
UK	5,415	8,785	14,200
Rest of Europe, Middle East and Africa	9,585	12,981	22,566
North America	38,388	36,028	74,416
Asia	4,687	2,532	7,219
Australia	2	178	180
	58,077	60,504	118,581

Operating segments
Information reported to the Company's Board, which is the chief operating decision maker ('CODM'), for the purpose of resource allocation and assessment of segment performance, is focused on the Group operating as two business segments, being Clinical Research Services ('CRO') and Pharmacovigilance ('PV'). All revenues arise from direct sales to customers. The segment information reported below all relates to continuing operations. Following the acquisition of ADAMAS by the Group in February 2022, the associated revenues have been allocated between CRO and PV based on the nature of the revenues generated.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the gross profit earned by each segment. Other amounts, including selling, general and administration expenses were not allocated to a segment. This was the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

30 June 2022	**CRO £000s**	**PV £000s**	**Consolidated total £000s**
Segment revenues	**34,329**	**35,588**	**69,917**
Cost of sales	**(13,830)**	**(17,021)**	**(30,851)**
Reimbursable expenses	**(9,858)**	**(281)**	**(10,139)**
Segment gross profit	**10,641**	**18,286**	**28,927**
Selling, general and administration expenses			**(20,163)**
Selling, general and administration expenses comprises:			
Other selling, general and administration expenses			**(17,363)**
Amortisation of acquired fair valued intangible assets			**(1,404)**
Share-based payment charge			**(557)**
Acquisition costs			**(839)**
Research and development expenses			**(47)**
Net impairment reversal/(loss) on trade receivable and contract assets			**287**
Other operating income			**385**
Operating profit			**9,389**
Finance income			**-**
Finance costs			**(239)**
Profit before tax			**9,150**

30 June 2021	CRO £000s	PV £000s	Consolidated total £000s
Segment revenues	27,205	28,837	56,042
Cost of sales	(10,664)	(14,007)	(24,671)
Reimbursable expenses	(8,176)	(178)	(8,354)
Segment gross profit	8,365	14,652	23,017
Selling, general and administration expenses			(14,848)
Selling, general and administration expenses comprises:			
Other selling, general and administration expenses			(13,201)
Amortisation of acquired fair valued intangible assets			(728)
Share-based payment charge			(431)
Acquisition costs			(488)
Research and development expenses			(36)
Net impairment reversal/(loss) on trade receivable and contract assets			(533)
Other operating income			926
Operating profit			8,526
Finance income			1
Finance costs			(213)
Profit before tax			8,314

31 December 2021	CRO £000s	PV £000s	Consolidated total £000s
Segment revenues	58,077	60,504	118,581
Cost of sales	(22,906)	(29,285)	(52,191)
Reimbursable expenses	(17,621)	(407)	(18,028)
Segment gross profit	17,550	30,812	48,362
Selling, general and administration expenses			(34,877)
Selling, general and administration expenses comprises:			
Other selling, general and administration expenses			(27,736)
Amortisation of acquired fair valued intangible assets			(1,599)
Share-based payment charge			(817)
Contingent consideration for acquisitions			(2,949)
Acquisition costs			(1,776)
Research and development expenses			(130)
Net impairment reversal/(loss) on trade receivable and contract assets			(324)
Other operating income			1,593
Operating profit			14,624
Finance income			1
Finance costs			(361)
Profit before tax			14,264

Segment net assets

	30 June 2022 £000s	30 June 2021 £000s	31 December 2021 £000s
CRO	**34,939**	27,609	28,531
PV	**40,114**	31,324	38,708
Consolidated total net assets	**75,053**	58,933	67,239

3. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Unaudited Year ended 31 December 2021
	£000s	**£000s**	**£000s**
EARNINGS			
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Company	**7,314**	**6,633**	**12,674**
Adjustments to earnings:			
Amortisation of acquired fair valued intangible assets	1,404	728	1,605
Share-based payment charge	557	431	817
Acquisition costs (note 6)	839	488	1,776
Acquisition-related contingent consideration	-	-	2,949
Pay in lieu and non-compete compensation	38	45	211
Tax effect of adjusting items	(66)	(101)	(102)
Adjusted earnings for the purposes of basic and diluted earnings per share	**10,086**	**8,224**	**19,930**
	No.	**No.**	**No.**
NUMBER OF SHARES			
Weighted average number of shares for the purposes of basic earnings per share	**49,520,505**	**48,910,834**	**48,466,740**
Dilution effect of:			
Share options	1,822,690	2,293,726	2,102,588
Weighted average number of shares for the purposes of diluted earnings per share	**51,343,195**	**51,204,560**	**50,569,328**

	Unaudited Six months ended 30 June 2022	Unaudited Six months ended 30 June 2021	Audited Year ended 31 December 2021
	£000s	**£000s**	**£000s**
EARNINGS PER SHARE			
Basic	14.8p	13.6p	26.1p
Diluted	14.2p	13.0p	25.1p
ADJUSTED EARNINGS PER SHARE			
Basic	20.4p	16.8p	41.1p
Diluted	19.6p	16.1p	39.4p

4. FINANCE COSTS

	Unaudited Six months ended 30 June 2022 £000s	Unaudited Six months ended 30 June 2021 £000s	Audited Year ended 31 December 2021 £000s
Interest on lease liabilities	70	108	191
Other Interest payable	169	105	170
	239	213	361

5. OTHER OPERATING INCOME

	Unaudited Six months ended 30 June 2022 £000s	Unaudited Six months ended 30 June 2021 £000s	Audited Year ended 31 December 2021 £000s
Foreign grant income	78	298	629
RDEC income	293	559	956
Other income	14	69	8
	385	926	1,593

6. ACQUISITION COSTS

	Unaudited Six months ended 30 June 2022 £000s	Unaudited Six months ended 30 June 2021 £000s	Audited Year ended 31 December 2021 £000s
Acquisition of ADAMAS	700	-	240
Acquisition of MedSource	-	327	406
Aborted and other acquisition costs	139	161	1,130
	839	488	1,776

7. EBITDA and Adjusted EBITDA

	Unaudited Six months ended 30 June 2022 £000s	Unaudited Six months ended 30 June 2021 £000s	Unaudited Year ended 31 December 2021 £000s
Operating profit	**9,389**	**8,526**	**14,624**
Adjusted for:			
Depreciation and amortisation charges within Other selling, general & administration expenses	1,533	1,895	3,447
Amortisation of acquired fair valued intangible assets	1,404	728	1,599
EBITDA	**12,326**	**11,149**	**19,670**
Adjusted for:			
Share-based payment charge	557	431	817
Acquisition related contingent compensation	-	-	2,949
Acquisition costs (note 6)	839	488	1,776
Pay in lieu and non-compete compensation	38	43	211
Adjusted EBITDA	**13,760**	**12,111**	**25,423**

The Directors make certain adjustments to EBITDA to derive Adjusted EBITDA, which they consider are more reflective of the Group's underlying trading performance, enabling comparisons to be made with prior periods.

8. INCOME TAX EXPENSE

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 June 2022 was 20.1% (six months ended 30 June 2021: 20.2%).

9. GOODWILL

Reconciliation of carrying amount:	**Total £000s**
Balance at 1 January 2022	**23,903**
Arising on business combinations	15,820
Translation movement	1,353
Balance at 30 June 2022	**41,076**

As at 30 June 2022, the Group performed an assessment to identify indicators of impairment relating to goodwill allocated to cash generating units (CGUs). This included a review of internal and external indicators of impairment including considering the year-to-date performance of the relevant CGUs and any changes in key assumptions. The outcome of this assessment was that there were no indications of impairment which could reasonably be expected to eliminate the headroom computed at 31 December 2021. As a result of this assessment no impairment charges were recorded in the first half of 2022 (2021: first half £nil; full-year £nil).

A full detailed impairment review will be conducted on all CGUs at 31 December 2022.

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10. OTHER INTANGIBLE ASSETS

	Total £000s
Cost	
At 1 January 2022	**33,943**
Acquisitions through business combinations	10,106
Additions	124
Disposals	-
Translation movement	895
At 30 June 2022	**45,068**
Amortisation	
At 1 January 2022	**26,290**
Charge for the period	1,673
Disposals	-
Translation movement	195
At 30 June 2022	**28,158**
Net Book Value	
At 30 June 2022	**16,910**
At 31 December 2021	7,653
At 30 June 2021	7,683

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2022 £000s	Unaudited 30 June 2021 £000s	Audited 31 December 2021 £000s
Trade receivables	25,265	18,900	20,234
Other receivables	1,451	834	869
Derivative asset – Foreign currency forward contracts	15	13	-
Prepayments	1,884	1,572	1,818
Corporation tax receivable	2,038	647	2,222
	30,653	21,966	25,143

Trade receivables is recorded net of impairment losses of £344,000 (2021: £627,000),

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12. CASH AND CASH EQUIVALENTS AND BORROWINGS

On 1 February 2022, Ergomed plc drew down £15 million against the multi-currency revolving credit facility ("RCF") available with the Company's bankers, HSBC to part fund the acquisition of ADAMAS. The interest rate payable on this borrowing was SONIA plus 2.1%. As at 30 June 2022 the entire drawdown of £15 million was repaid and the full RCF is undrawn. On 22 July 2022 the Group has increased its multi-currency rolling credit facility (RCF) from £30.0 million to £80.0 million, comprising a £50.0 million facility with an additional £30.0 million accordion.

	Unaudited 30 June 2022 £000s	Unaudited 30 June 2021 £000s	Audited 31 December 2021 £000s
Cash and cash equivalents	11,973	24,571	31,243
Borrowings	-	-	-
Cash and cash equivalents net of borrowings	11,973	24,571	18,994

13. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2022 £000s	Unaudited 30 June 2021 £000s	Audited 31 December 2022 £000s
Trade payables	4,915	3,435	3,102
Amounts payable to related parties	-	52	3
Social security and other taxes	1,356	859	1,302
Other payables	2,077	1,451	1,541
Customer advances	-	247	47
Accruals	7,121	7,038	8,951
	15,469	13,082	14,946

14. ORDINARY SHARE CAPITAL

	Number	£000s
Ordinary shares of £0.01 each		
Balance at 30 June 2021	**48,955,339**	**490**
Exercise of share options	338,290	3
Balance at 31 December 2021	**49,293,629**	**493**
Exercise of share options	586,400	6
Balance at 30 June 2022	**49,880,029**	**499**

15. ACQUISITION OF SUBSIDIARY – ADAMAS

On 9 February 2022, the Group acquired all of the issued share capital in ADAMAS Consulting Group Limited and its subsidiaries ("ADAMAS"). The acquisition has been completed for a cash consideration of £25.6 million, representing an enterprise value of £24.2 million and cash acquired of £1.4 million. Ergomed Plc drew down on its £15.0 million on multi-currency rolling credit facility ('RCF) on 1 February 2022 and utilised the funds and existing Group cash reserves to fund the acquisition.

ADAMAS is an international specialist consultancy offering a full range of independent quality assurance services and specialising in the audit of pharmaceutical manufacturing processes, as well as auditing clinical trials and pharmacovigilance systems.

In the period from 9 February 2022 to 30 June 2022, ADAMAS contributed revenue of £4.0 million and profit of £0.1 million to the Group's results. If the acquisition had occurred on 1 January 2022, management estimates that consolidated revenue would have been £4.7 million, and profit for the period would have been £0.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Identifiable assets acquired and liabilities assumed	**Provisional valuation £000s**
Intangible assets	10,106
Property, plant and equipment	19
Deferred tax assets	4
Trade and other receivables	1,876
Contract asset (accrued income)	233
Cash and equivalents	1,411
Trade and other payables	(1,246)
Contract liability (deferred revenue)	(14)
Taxation payable	(121)
Deferred tax liability	(2,434)
Total identifiable net assets	**9,834**
Goodwill	15,820
Total consideration	**25,654**
Satisfied by	
Cash consideration	25,654
Total consideration	**25,654**
Net cash outflow arising on acquisition	
Cash consideration	25,654
Less: cash and cash equivalent balances acquired	(1,411)
Transaction expenses	940
	25,183

Included within intangible assets are customer relationships of £8,630,000, brand of £730,000 and contracted orderbook of £735,000 recognised on acquisition. The Group incurred acquisition related costs of £240,000 related to due diligence and legal activities in the year ended 31 December 2021 and £700,000 in period to 30 June 2022. These costs have been included in acquisition costs within selling and administrative expenses in the Group's consolidated income statement.

The fair value of ADAMAS's intangible assets (customer relationships, brand and contracted orderbook) has been measured provisionally, pending completion of an independent valuation. The Group has a 12-month measurement period from the date of acquisition ending on 9 February 2023.

16. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities at the reporting date.

30 June 2022	Carrying amount: Financial assets at fair value through profit and loss £000s	Financial assets at amortised cost £000s	Financial liabilities at amortised cost £000s	Financial liabilities at fair value through profit and loss £000s	Total £000s	Fair value: Total £000s
Financial assets						
Equity investments	–	–	–	–	–	38
Trade receivables	–	25,265	–	–	25,265	25,265
Contract assets (accrued revenue)	–	9,198	–	–	9,198	9,198
Other receivables	–	1,451	–	–	1,451	1,451
Derivative asset - Foreign currency forward contracts	15	–	–	–	15	15
Cash and cash equivalents	–	11,973	–	–	11,973	11,973
	15	47,887	–	–	47,902	47,940
Financial liabilities						
Lease liabilities	–	–	2,586	–	2,586	2,586
Trade payables	–	–	4,915	–	4,915	4,915
Amounts payable to related parties	–	–	-	–	-	-
Other payables	–	–	2,077	–	2,077	2,077
Derivative liability - Foreign currency forward contracts	–	–	–	783	783	783
Accruals	–	–	7,121	–	7,121	7,121
	–	–	16,699	783	17,482	17,482

30 June 2021	Carrying amount: Financial assets at fair value through profit and loss £000s	Financial assets at amortised cost £000s	Financial liabilities at amortised cost £000s	Financial liabilities at fair value through profit and loss £000s	Total £000s	Fair value: Total £000s
Financial assets						
Equity investments	–	–	–	–	–	–
Trade receivables	–	18,900	–	–	18,900	18,900
Contract assets (accrued revenue)	–	4,268	–	–	4,268	4,268
Other receivables	–	834	–	–	834	834
Derivative asset - Foreign currency forward contracts	13	–	–	–	13	13
Cash and cash equivalents	–	24,571	–	–	24,571	24,571
	13	48,573	–	–	48,586	48,586
Financial liabilities						
Lease liabilities	–	–	3,767	–	3,767	3,767
Trade payables	–	–	3,435	–	3,435	3,435
Amounts payable to related parties	–	–	52	–	52	52
Other payables	–	–	1,698	–	1,698	1,698
Derivative liability - Foreign currency forward contracts	–	–	–	98	98	98
Accruals	–	–	7,038	–	7,038	7,038
	–	–	15,990	98	16,088	16,088

31 December 2021	Carrying amount: Financial assets at fair value through profit and loss £000s	Financial assets at amortised cost £000s	Financial liabilities at amortised cost £000s	Financial liabilities at fair value through profit and loss £000s	Total £000s	Fair value: Total £000s
Financial assets						
Equity investments	–	–	–	–	–	45
Trade receivables	–	20,234	–	–	20,171	20,171
Accrued revenue (contract asset)	–	3,958	–	–	3,958	3,958
Other receivables	–	692	–	–	692	692
Cash and cash equivalents	–	31,243	–	–	31,243	31,243
	–	56,127	–	–	56,064	56,109
Financial liabilities						
Lease liabilities	–	–	2,681	–	2,681	2,681
Trade payables	–	–	3,102	–	3,102	3,102
Amounts payable to related parties	–	–	3	–	3	3
Other payables	–	–	1,587	–	1,587	1,587
Derivative liability - Foreign currency forward contracts	–	–	–	261	261	261
Accruals	–	–	8,951	–	8,951	8,951
	–	–	16,324	261	16,585	16,585

Financial instruments measured at fair value

The financial instruments measured at fair value have been categorised within the fair value hierarchy based on the valuation technique used to determine fair value at the reporting date.

	30 June 2022 £000s	30 June 2021 £000s	31 December 2021 £000s
Financial assets			
Equity investments – Level 1	**38**	–	45
Equity investments – Level 3	**–**	–	–
Foreign currency forward contracts used for hedging – Level 2	**15**	13	–
Financial assets measured at fair value	**53**	13	45
Financial liabilities			
Foreign currency forward contracts used for hedging – Level 2	**783**	98	261
Financial liabilities measured at fair value	**783**	98	261

Foreign currency forward contracts (Level 2)

The Group's foreign currency forward contracts are not traded in active markets. These contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Equity investments (Level 1 and 3)

Equity investments which are publicly quoted are measured based on the quoted market price. Unlisted equity investments are measured based on the market price of recent share issuances or, where not available, managements best estimate of the realisable value of those investments. The level 1 investment held as at 30 June 2021 related to Modus Therapeutics Holding AB, which was transferred to level 1 on 20 July 2021 when the shares were listed on the Nasdaq First North Growth Market. Given the lack of liquidity in Modus' stock, management continue to hold the value of the investment at £nil (the fair value at the reporting date was £38,000). The Modus investment was fully impaired during prior financial periods after the results of completed clinical trials in those periods were published.

17. SUBSEQUENT EVENTS

On 22 July 2022 the Group has increased its multi-currency rolling credit facility (RCF) from £30.0 million to £80.0 million, comprising a £50.0 million facility with an additional £30.0 million accordion.

There were no other material post balance sheet events between the balance sheet date and the date of this report.