



July 3, 2026

Matthew L. Homsher  
Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor  
Harrisburg, PA 17120

Re: Coho Climate Advisors LLC  
Electric Generation License Application  
Docket No. A-2026-3062739  
Utility Code: 1228970

Dear Secretary Homsher:



Advisory services for  
climate, energy, and  
water

Coho Climate Advisors LLC ("Coho" or the "Applicant") hereby submits its responses to the Pennsylvania Public Utility Commission's June 10, 2026 Data Requests regarding the above-referenced Electric Generation Supplier License Application.

The Applicant's responses follow the Commission's letter and are organized according to the numbering set forth in the Data Requests.

With respect to Data Request No. 5, the Applicant is providing additional information concerning its financial fitness. In addition, a Parent Company Guarantee demonstrating that the Applicant's parent company assumes full financial responsibility for Coho Climate Advisors LLC's electric operations within the Commonwealth of Pennsylvania is being executed and will be submitted directly to the Commission via mail under separate cover.

The Applicant respectfully requests that the Commission continue its review of the Application based upon the enclosed responses and supporting materials. Should the Commission require any additional information or clarification, please do not hesitate to contact the undersigned.

Pursuant to the Commission's request, a copy of this filing is being provided to Lee Yalcin of the Bureau of Technical Utility Services.

Thank you for your consideration of this submission.

Respectfully submitted,

COHO CLIMATE ADVISORS LLC

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Montgomery Ave  
Suite 480  
Bethesda, MD 20814  
+1 (202) 664-0195  
cohoclimates.com



A handwritten signature in black ink, appearing to read "Geoff Heller", positioned above a horizontal line.

Geoff Heller  
Consulting Partner  
Coho Climate Advisors LLC  
4550 Montgomery Avenue, Suite 480  
Bethesda, MD 20814  
832-786-5971  
Geoff.Heller@ERM.com

Enclosures

cc: Lee Yalcin  
Bureau of Technical Utility Services  
Pennsylvania Public Utility Commission  
lyalcin@pa.gov



Advisory services for  
climate, energy, and  
water

## QUESTION 1

Coho Climate Advisors LLC is the full legal name of the Applicant. References to "Coho" throughout the EGS Application Package are intended solely as a shortened, informal abbreviation of the legal entity name used for readability and convenience.

Coho Climate Advisors LLC is not operating under a fictitious name, assumed name, or registered trade name. "Coho" does not represent a separate legal entity, nor is it a formally registered d/b/a. All references to "Coho" in the Application refer exclusively to Coho Climate Advisors LLC.

## QUESTION 2

**c. PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the

We propose to offer brokerage services in Pennsylvania, helping clients procure retail electricity agreements. Coho works with clients to understand their needs, run competitive processes, and choose a supplier and solution that best fits the client. We are solution/supplier agnostic, and our loyalties lie with the client.

Coho discusses with the customer what their goals are and crafts tailored solutions for their specific needs. Based on a client's specific needs, we will select between 3-10 suppliers that are able to offer the specific client structure, as not all suppliers may be able to offer the product that the client is looking for. We then run a competitive process that is transparent all the way on fees, and we present bids as-is to the client and select a solution that best fits the client.

## QUESTION 3 & 4

ERM Americas –  
North America Entities  
Structure Chart



**KEY**

- = holding company
- = business unit
- = active
- = dormant (no operating business)
- = active branch office
- = in liquidation/winding up
- = limited partnership

**North America Entity Notes**

<sup>1</sup> **ERM Mexico, SA de CV (Mexico)** - ERM Mexico, SA de CV has both Common and Preferred Shares. \* These ownership percentages represent the Class B Common Shares which together hold 90% of the voting rights of the respective owners, while all other ownership percentages on this chart represent the Class A Preferred Shares which together hold the remaining 10% of the voting rights.

<sup>2</sup> **ERM Consultants Canada Ltd. (Canada)** - this company has a 49% interest in a general partnership called 'Tahltan ERM Environmental Management' registered in British Columbia, Canada.

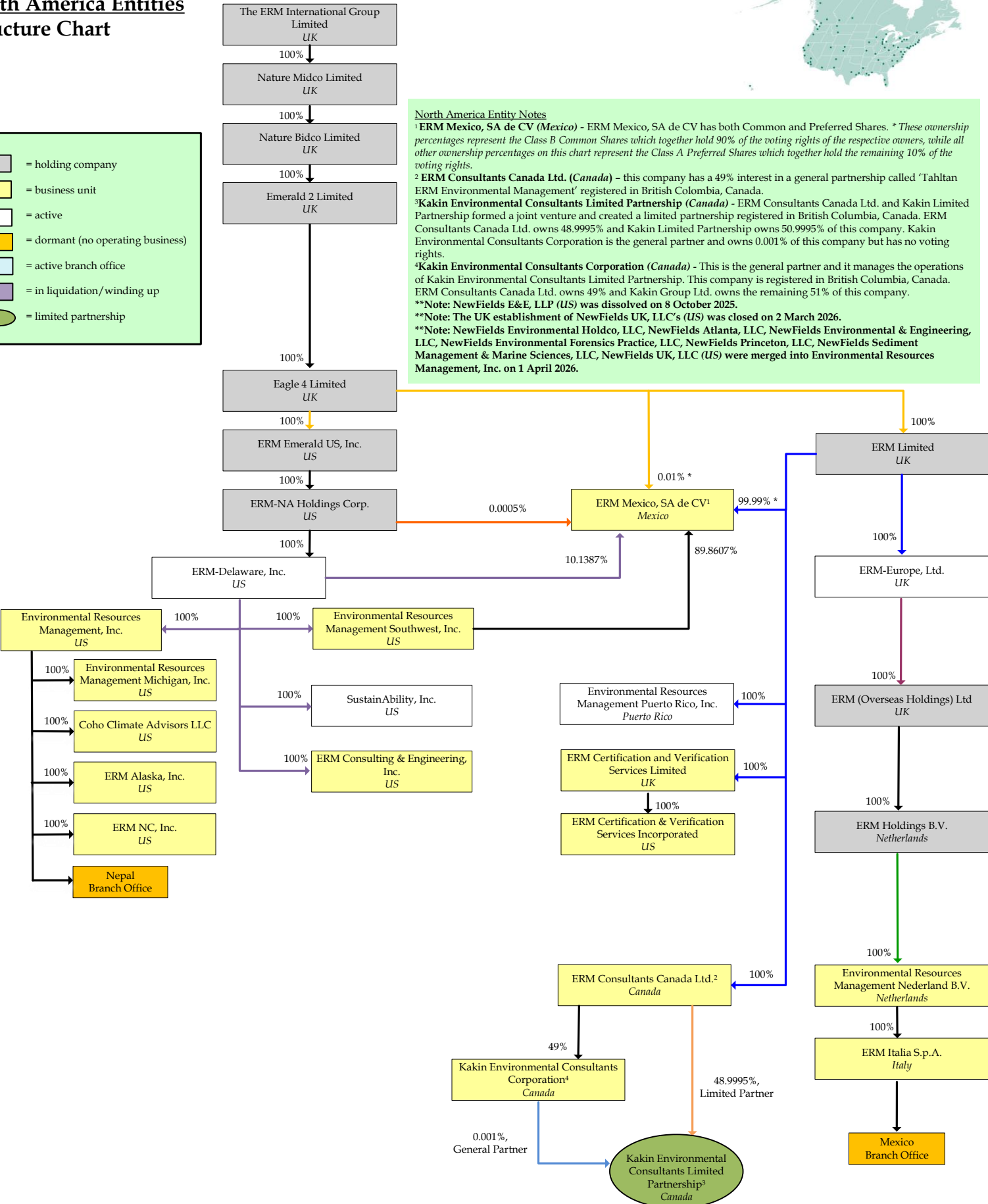
<sup>3</sup> **Kakin Environmental Consultants Limited Partnership (Canada)** - ERM Consultants Canada Ltd. and Kakin Limited Partnership formed a joint venture and created a limited partnership registered in British Columbia, Canada. ERM Consultants Canada Ltd. owns 48.9995% and Kakin Limited Partnership owns 50.9995% of this company. Kakin Environmental Consultants Corporation is the general partner and owns 0.001% of this company but has no voting rights.

<sup>4</sup> **Kakin Environmental Consultants Corporation (Canada)** - This is the general partner and it manages the operations of Kakin Environmental Consultants Limited Partnership. This company is registered in British Columbia, Canada. ERM Consultants Canada Ltd. owns 49% and Kakin Group Ltd. owns the remaining 51% of this company.

**\*\*Note: NewFields E&E, LLP (US) was dissolved on 8 October 2025.**

**\*\*Note: The UK establishment of NewFields UK, LLC's (US) was closed on 2 March 2026.**

**\*\*Note: NewFields Environmental Holdco, LLC, NewFields Atlanta, LLC, NewFields Environmental & Engineering, LLC, NewFields Environmental Forensics Practice, LLC, NewFields Princeton, LLC, NewFields Sediment Management & Marine Sciences, LLC, NewFields UK, LLC (US) were merged into Environmental Resources Management, Inc. on 1 April 2026.**



## QUESTION 5

# **The ERM International Group Limited**

## **Annual Report and Financial Statements**

31 March 2024

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## Corporate information

### Directors

|                      |                                          |
|----------------------|------------------------------------------|
| Thomas Reichert      | Chief Executive Officer                  |
| Timothy Strawn       | Regional Chief Executive Officer         |
| David McArthur       | Strategic Advisor                        |
| Sabine Hoefnagel     | Global Leader of Sustainability and Risk |
| Susan Angyal         | Regional Chief Executive Officer         |
| Tomás Hevia Armengol | Non-executive Director                   |
| Mattia Caprioli      | Non-executive Director                   |
| Lars Kolks           | Non-executive Director                   |
| Rami Bibi            | Non-executive Director                   |

### Secretary

|                |                                         |
|----------------|-----------------------------------------|
| Angela Mullany | General Counsel (appointed 5 June 2023) |
| Roy Burrows    | General Counsel (resigned 5 June 2023)  |

### Auditor

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

### Banker

HSBC UK Bank Plc  
London Commercial Banking Centre  
Level 6  
71 Queen Victoria Street  
London  
EC4V 4AY

### Registered office

2nd Floor  
Exchequer Court  
33 St Mary Axe  
London  
EC3A 8AA

## Strategic report

A strategic, financial and operational review for the ERM group of companies, being The ERM International Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 March 2024 (“FY24”) is set out below.

### Principal activities

ERM is the market leading global pure play sustainability consultancy delivering a full suite of services across the sustainability spectrum. This includes the provision of sustainability & climate change, safety and digital services to clients. ERM works with both private and public sector clients to deliver sustainable outcomes to complex environmental and related issues.

### Business review

In the income statement the Group reports gross revenue of \$1,380 million (year ended 31 March 2023 (“FY23”): \$1,321 million); operating profit before amortisation and impairment of intangibles and net transaction costs of \$145 million (FY23: \$150 million); and an operating loss (after amortisation and impairment of intangibles and net transaction costs) of \$22 million (FY23: loss of \$51 million). The Group has generated strong operating cash flow of \$173 million (pre income taxes) during the financial year (FY23: \$134 million) and held \$193 million of cash at 31 March 2024 (FY23: \$207 million). The Business Review that follows references trading results which are key performance indicators used by management to monitor the performance of the business. Please refer to the summary results section for a reconciliation of trading results to statutory measures.

FY24 was a solid year as ERM navigated a bumpy global market. At management budgeted exchange rates, our trading net revenue increased by 9% during FY24 and our trading EBITDA (as defined on page 3 under Summary results) increased by 6%.

We continued to see growing demand for ERM's services during FY24 and ongoing opportunities to elevate our influence on the global sustainability agenda. Our business is highly diversified and balanced across industries, geographies, and service lines. Our highest growth industry sectors in FY24 were Power, Diversified Energy, and Mining, buoyed by the ongoing Low-carbon Economy Transition (“LCET”) and high activity in the Mining sector. Geographically, we saw strong double digit top- and bottom-line growth in three of our five regions. Growth across our service lines was relatively balanced, with Capital Project Delivery seeing the largest growth compared with the prior year, strengthening its position as our largest service line. We continue to make investments across our business, including potential long-term growth areas like Climate Markets, Nature & Water, and Human & Social Rights. Our Digital Services business also had a strong year as we continue to evolve and shape our digital strategy.

FY24 was also a year where multiple market headwinds came to the fore. These headwinds were triggered by factors including rising cost of capital, rising energy costs (particularly in Europe), and increasing regulatory uncertainty given upcoming election cycles. As a result, our Financial sector and M&A service line softened, some large capital programs were delayed or phased (e.g., renewables, offshore wind) and energy-intensive sectors in Europe saw decreasing activity levels. Despite these headwinds, we are still bullish on long term prospects for our industry: M&A markets are already starting to come back; interest rates will slowly move towards historical levels; regulatory uncertainty will wane as we move past the election cycle; and many of the large capital projects that have been delayed will likely proceed forward. This bullishness is supported by the record sales we saw in the last quarter of FY24 as we ended the year with our largest backlog of sold work ever.

The average number of full-time equivalent (“FTE”) employees increased from 7,002 in FY23 to 7,463 in FY24. In response to the changing market conditions we realigned our capacity to those service lines where we are seeing growth, ending the year at 7,281 full-time equivalent (“FTE”) employees.

**Partners:** Partners in ERM are our senior management level leaders. We hired 77 Partners during FY24 which provides us with a strong platform to grow the business over the medium-term. We also promoted 71 Partners from our Path to Partnership programme and brought in two Partners through an acquisition.

## Strategic report

**Sustainability:** We continue to play a leading role in the global sustainability agenda, as described on page 5. Our Non-Financial and Sustainability Information Statement can be found on pages 10-20 of this report.

**Acquisitions:** On 1 March 2024, ERM completed the acquisition of The Big Middle and The Big Zero (“The Big Group”), Australian enterprise system specialists who are experts in Salesforce, Oracle, and WalkMe technologies. Combined with ERM’s consultancy services and its partnership with Salesforce, The Big Zero’s expertise in Environmental, Social and Governance (“ESG”) accounting systems will support clients in establishing a unified source of environmental data. The Big Middle will continue as one of Australia’s leading technology service providers focused on systems integration of enterprise solutions, including onboarding and training of customers in Australia and New Zealand. See note 14 for further details.

### Summary results

The financial statements are presented in accordance with International Financial Reporting Standards as adopted by the IASB (“Adopted IFRSs”). The Group reported FY24 net revenue of \$1,116 million (2023: \$1,029 million) and an operating loss of \$22 million (FY23: \$51 million). Operating loss is a statutory measure and is stated after amortisation and impairment of intangible assets and net transaction costs.

The table below presents the net revenue and operating loss reported in the consolidated income statement:

|                                                                                              | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 | Growth<br>% |
|----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------|
| Net revenue                                                                                  | 1,115,561                            | 1,029,145                            | 8%          |
| Operating profit before amortisation and impairment of intangibles and net transaction costs | 144,986                              | 149,918                              | (3%)        |
| Amortisation and impairment of intangible assets                                             | (187,080)                            | (188,903)                            |             |
| Net transaction costs                                                                        | 19,776                               | (11,978)                             |             |
| <b>Operating loss</b>                                                                        | <b>(22,318)</b>                      | <b>(50,963)</b>                      |             |

Trading net revenue and trading EBITDA at management budgeted exchange rates are key performance indicators used by management to monitor the performance of the business. They are not presented in the statutory financial statements but are used by management to remove exchange rate fluctuations and enable true comparison of trading results to budget and prior year. Trading net revenue and trading EBITDA exclude items that are considered to be one-off or non-trading in nature. The table below presents the summary results for the Group for FY24 compared to FY23. The budgeted exchange rates used by management during FY24 were applied to the table below for both FY24 and FY23 trading net revenue and trading EBITDA.

|                                                                                                     | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 | Growth<br>% |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------|
| Trading net revenue <sup>1,2</sup>                                                                  | 1,109,554                            | 1,019,882                            | 9%          |
| Trading EBITDA <sup>1,3</sup>                                                                       | 175,628                              | 165,077                              | 6%          |
| Reconciliation to statutory accounts operating profit <sup>2</sup>                                  | (30,642)                             | (15,159)                             |             |
| <b>Operating profit before amortisation and impairment of intangibles and net transaction costs</b> | <b>144,986</b>                       | <b>149,918</b>                       |             |

1 At FY24 budgeted exchange rates.

2 See below for detailed reconciliation to the consolidated income statement.

3 Before interest, tax, depreciation, amortisation, impairment and net transaction costs.

## Strategic report

### Summary results (continued)

#### Reconciliation of trading net revenue to the consolidated income statement

|                                                    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------------------------------------------|-----------------------------|-----------------------------|
|                                                    | \$000                       | \$000                       |
| Trading net revenue                                | 1,109,554                   | 1,019,882                   |
| Retranslation from budget to actual exchange rates | 6,734                       | 10,145                      |
| Other income <sup>1</sup>                          | (727)                       | (882)                       |
| Total reconciling items                            | 6,007                       | 9,263                       |
| <b>Net revenue per the income statement</b>        | <b>1,115,561</b>            | <b>1,029,145</b>            |

<sup>1</sup> Certain other income is included in trading net revenue but all other income is reported separately in the statutory income statement.

During the year, the Group recognised \$102 million impairment of goodwill (see note 13) (FY23: \$96 million).

#### Reconciliation of trading EBITDA to the consolidated income statement

|                                                                                                     | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                     | \$000                       | \$000                       |
| Trading EBITDA                                                                                      | 175,628                     | 165,077                     |
| Retranslation from budget to actual exchange rates                                                  | (1,885)                     | 4,269                       |
| IFRS 16 adjustment: add back operating lease expense <sup>1</sup>                                   | 20,079                      | 20,919                      |
| IFRS 16 adjustment: deduct IFRS 16 depreciation (note 7) <sup>1</sup>                               | (18,515)                    | (19,949)                    |
| Deduct depreciation of property, plant and equipment (note 7)                                       | (9,568)                     | (7,298)                     |
| Share based payment expense (note 22) <sup>2</sup>                                                  | (8,759)                     | (4,804)                     |
| Termination costs <sup>3</sup>                                                                      | (4,207)                     | -                           |
| Global Partner Meeting <sup>4</sup>                                                                 | (4,140)                     | -                           |
| KKR advisory fees (note 25)                                                                         | (2,866)                     | (5,136)                     |
| Other items <sup>5</sup>                                                                            | (781)                       | (3,160)                     |
| Total reconciling items                                                                             | (30,642)                    | (15,159)                    |
| <b>Operating profit before amortisation and impairment of intangibles and net transaction costs</b> | <b>144,986</b>              | <b>149,918</b>              |

<sup>1</sup> IFRS 16 adjustments: management reporting of trading EBITDA reflects lease costs as an operating expense. For statutory reporting this operating expense is replaced with depreciation of the right-of-use-asset (note 7) and lease interest.

<sup>2</sup> Share-based payment expense relating to shares issued to Partners.

<sup>3</sup> Severance costs related to realignment of resourcing in light of shifting market headwinds.

<sup>4</sup> Costs related to a one-off global Partner meeting, held during the year.

<sup>5</sup> Other costs not related to trading.

### Cash on hand and debt facilities

Once again, the Group had strong operating cash flow of \$173 million (pre-income taxes) in the financial year (2023: \$134 million). The Group has adequate cash resources and banking facilities to meet its day-to-day working capital requirements.

The Group has cash on hand of \$193 million (2023: \$207 million), including cash deposited with ReachCentrum SA of \$138 million (2023: \$142 million) and cash held on behalf of government bodies of \$21 million (2023: \$18 million). Refer to note 19 for further details.

The Group's credit facilities as at 31 March 2024 consist of \$512 million USD denominated and €495 million EUR denominated first lien debt, both fully drawn. In addition, the Group holds a revolving credit facility of \$238 million. At 31 March 2024 the revolving credit facility was undrawn, although \$4.1 million of the facility was utilised as security for bank guarantees (31 March 2023: undrawn, \$4.7 million utilised as security for bank guarantees).

## Strategic report

### Sustainability and Health and Safety

A key element of all aspects of our strategy is sustainability. Sustainability at ERM is a commitment to support socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs. As a business, we aim to create long-term shareholder value by balancing the necessary financial performance of the Group with the impact on, and the contributions we make, to the environment and society. We believe that these can, and should, be mutually beneficial and our aim is to ensure that this is the case at ERM. During FY24, we secured over 22,000 new sustainability projects globally. We are contributing to the Sustainable Development Goals working with some of the world's leading sustainability organisations such as the World Business Council for Sustainable Development ("WBCSD"), the Principles for Responsible Investment ("PRI") and the UN Global Compact.

We are always looking at how we can reduce our own carbon footprint and take measures to help protect the world's ecosystem. We continually look for ways to reduce our energy usage across the Group and to date we are on track to meet our public commitment to reduce our carbon emissions through our targets that have been validated by the Science Based Targets Initiative (SBTi) as aligned to the Net Zero Standard, which will see us deliver net zero by 2040. Our Non-Financial and Sustainability Information Statement can be found on pages 10 to 20 of this report. We separately report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and this year will publish a full TCFD disclosure within the ERM Sustainability Report, published online annually. The 2024 report will be released in July 2024.

We have reported on all of the emission sources required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition); data gathered to fulfil our requirements under the CRC Energy Efficiency scheme; and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014 to calculate the below disclosures. The table below summarises FY24 carbon emissions for our UK business.

|                                                                                                                  | Year ended<br>31 March 2024<br>Co2 tonnes | Year ended<br>31 March 2023<br>Co2 tonnes | Year ended<br>31 March 2024<br>kWh | Year ended<br>31 March 2023<br>kWh |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|------------------------------------|------------------------------------|
| <i>Fuel type</i>                                                                                                 |                                           |                                           |                                    |                                    |
| Electricity <sup>1</sup> and gas                                                                                 | 26.39                                     | 40.02                                     | 848,383                            | 715,061                            |
| <b>Total</b>                                                                                                     | <b>26.39</b>                              | <b>40.02</b>                              | <b>848,383</b>                     | <b>715,061</b>                     |
| Co2 tonnes emissions per \$1,000,000 of gross revenue                                                            | 0.019                                     | 0.030                                     |                                    |                                    |
| 1 For FY24, ERM has sourced 98% renewable energy through green energy contracts or renewable energy instruments. |                                           |                                           |                                    |                                    |
|                                                                                                                  | Year ended<br>31 March 2024<br>Co2 tonnes | Year ended<br>31 March 2023<br>Co2 tonnes | Year ended<br>31 March 2024<br>kWh | Year ended<br>31 March 2023<br>kWh |
| <i>Fuel type</i>                                                                                                 |                                           |                                           |                                    |                                    |
| Electricity <sup>1</sup> and gas                                                                                 | 26.39                                     | 40.02                                     | 848,383                            | 715,061                            |
| <b>Total</b>                                                                                                     | <b>26.39</b>                              | <b>40.02</b>                              | <b>848,383</b>                     | <b>715,061</b>                     |
| Co2 tonnes emissions per \$1,000,000 of gross revenue                                                            | 0.019                                     | 0.030                                     |                                    |                                    |

2 For FY24, ERM has sourced 98% renewable energy through green energy contracts or renewable energy instruments.

Health and Safety plays a key role in enabling ERM's 'license to operate', both internally with our staff and externally with our clients. During the financial year, we implemented a variety of ongoing improvements to our Health and Safety programmes to reduce our overall risk profile and improve performance. Key areas of improvement included:

- complete revision of our travel safety programme to provide enhanced services to our travellers and improved efficiency to operations;
- completion of our second year of roll-out associated with our See.Own.Share – Beyond Hazard Recognition programme which resulted in us training over 4,700 staff members; and
- continued focus on simplifying and enabling everything that we do which resulted in changes to our Active Leadership Audit Program; Corrective and Preventive Action program; and the Health and Safety elements of our Global Mandatory Training program.

During FY24 our UK business received the Royal Society for the Prevention of Accidents President's Award. This recognition is provided to an organization that receives 10 consecutive Gold Medal Awards and illustrates an organization's long-term commitment to excellence in occupational health and safety.

### Corporate governance

## Strategic report

The Board of Directors of the Group parent company, The ERM International Group Limited, is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. The Board recognises that, in conducting its business, ERM should also be responsive to clients, regulatory bodies and other relevant stakeholder groups.

The Board believes that good governance involves the clarity of roles and responsibilities and the proper utilisation of distinct skills and processes. The Board, therefore, focuses on activities that enable it to promote the interests of all shareholders, such as the active consideration and execution of long-term strategy, the monitoring of executive actions, and ongoing Board and executive management succession.

The Board governance policies and practises reflect the relevant provisions of the Wates Corporate Governance Principles for Large Private Companies (2018).

At ERM, we are shaping a sustainable future with the world's leading organisations. The purpose of the ERM Group is to create and maximise long-term value for our stakeholders (shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate) and help create a more sustainable future for our world through pursuing a strategy which offers and delivers exceptional value to our clients.

The Board reviews and, where appropriate, determines the long-term strategy and the annual budget and business plan for the Group based on proposals made by the CEO for achieving the ERM purpose. The Board develops and promotes the ERM purpose and ensures, through its decisions and actions, that the values, strategy and culture of the Group align with that purpose, to generate long-term sustainable value.

On a day-to-day basis we continue to be managed by the Executive Committee, comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, sector and client divisions of our operations, business development, people development and other professional support functions. The Executive Committee generally meets monthly. The majority of Executive Committee meetings are held by video conference to reduce our carbon footprint and our travel time and costs.

We continue to develop our risk management procedures and we take every reasonable measure to ensure that all of our staff adhere to ERM's global values and our Code of Business Conduct and Ethics.

## Strategic report

### Section 172 statement

Section 172 requires that “a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Group’s employees;
- c) the need to foster the Group’s business relationships with suppliers, customers and others;
- d) the impact of the Group’s operations on the community and the environment;
- e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company”.

The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Group comprises a number of business units (“BUs”), all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. Please refer to page 25 for further information on corporate governance.

In performing their duty under s172, the Directors have had regard to the matters set out in s172(1) as follows:

#### ***The likely consequences of any decision in the long term***

Reports are regularly made to the Group Board by the Executive Directors and members of the Executive Committee about the strategy, performance and key decisions taken, which provides the Board with assurance that proper consideration is given to stakeholder interest in decision-making.

At Group level, the Board is well informed about the views of stakeholders through the regular reporting on stakeholder views; for example, the CEO and other Executive Directors regularly share feedback from clients (as key stakeholders) gained from meetings between them and senior client contacts. The Board uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board has established a Risk and Reputation steering group, ERM ESG and Sustainability Steering Group Committee, with representatives of ERM management and our institutional shareholder KKR. The steering group has discussed and proposed to the Board positions to take on significant sustainability, geopolitical and reputation issues.

The Board takes a long-term approach to developing its strategy, which is to grow and build our consulting capability and presence in major markets to help clients address their sustainability challenges. We aim to achieve this through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion focuses on building deep and lasting relationships with our clients and servicing all their sustainability needs. The Board reviews the relevance of the Group’s strategy annually.

The Group has established a successful track record of acquiring and integrating complimentary consulting businesses into the Group over recent years. Since April 2017, the Group has completed 26 such acquisitions in total (one during FY24) bringing in the expertise of over 1,150 people. These acquisitions complement our core client offerings and expand our capability in areas that build our skills or service offerings across our geographies, to help respond to the changing needs of our clients.

Ongoing investment in improving the IT infrastructure and testing and upgrading of the Group’s cyber security, including implementing a managed security detection and response service, has improved our business continuity, long-term resilience and protection of data.

## Strategic report

### *The interests of the Group's employees*

At ERM, people are at the heart of our operation. We have a strong community united by our purpose and the impact of our work. ERMers bring their whole selves and unique capabilities to develop technical and leadership skills whilst leaving a lasting imprint on our planet.

Our Growth and Performance Culture is a culture in which each individual is celebrated for their unique capability and finds belonging within a warm, vibrant and inclusive community. As part of their experience each person makes an impact and:

- has the opportunity to continually develop expertise and progress in their careers;
- has motivational, simple goals that translate into true impact;
- is given meaningful feedback and empowering learning tools to help them meet their goals;
- is recognized and rewarded equitably for their contribution to the success of the ERM community; and
- is empowered to do their best work, everyday, with flexible and progressive ways of working

Our ambition is to be the best place to work in the ESG and supporting sectors. In FY24 we achieved a 2.5% reduction in attrition, with voluntary turnover reducing through the year in all of our regions, and we maintained a positive employee engagement rate, measured by our quarterly pulse surveys. ENPS (employee net promoter score) increased through the year and we received an offer acceptance of 82.4%, higher than industry benchmark. Our collaborative engagement planning methodology helps us continuously evolve a working culture that is responsive, plays to our unique strengths and helps us deliver on opportunities to make a difference to our people.

Through a progressive approach, we strive to build a demographically diverse company that reflects the communities in which we live and work, as well as a vibrant, inclusive culture in which our people can thrive and that enables the delivery of exceptional client value. Examples of FY24 accomplishments include:

- continuing to increase the ethnic diversity of our workforce;
- increased representation of women at Partner level and gender balance in our Associate Partner pipeline;
- 120 Diversity, Equity, Inclusion and Belonging ("DEIB") events held globally;
- 60 mental health champions trained globally;
- 30 mental health speakers and events;
- wellbeing intranet with quick help resources launched;
- extending our new approach to better connect consultants with project work;
- reimagining our new hire journey;
- investing in our Learning model, curricula and mentorship; and
- redesigning our performance, reward and recognition program.

Our vision of Talent Management is to attract, identify, engage and develop, retain and effectively assign employees to exciting work. We want our employees to have the opportunity to develop and fulfill their career aspirations. Our online career progression tool makes it easy for all employees to review available career paths, view job specifications and work with their supervisor and mentors to take a transparent and active role in assessing development to further their career aspirations.

Partner-led teams collaborate to deploy the right people for the right job. These teams have access to our entire workforce, spanning different geographies and sectors, in order to meet our evolving client needs. This structure enables employees to deepen their professional experience by supporting projects worldwide.

Regular reports about what is important to our employees are made to the Board, ensuring consideration is given to employee needs, and regular discussion of people-related topics occurs at Board meetings. For example, our annual Employee Survey results and analysis is shared with the Board as well as the progress we are making against our stated actions. We provide reporting on headcount growth, attrition with reasons for leaving and our retention priorities.

The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the Executive Directors. The aim of the Committee is to establish an overall remuneration structure which promotes the long-term success of the Group and delivers the strategy, reflects a balance of fixed and variable pay, with the intent of creating a competitive total compensation package that supports attraction and retention and ensures alignment between short and long term incentivized performance. The Remuneration Committee meeting cadence and agenda is reflective of the reward cycle and fiscal year. The Remuneration Committee provide oversight and final approval on our bonus budget, decisioning principles and the specific salary and bonus award for Executive Directors.

We are committed to ensuring fairness and equity in our reward practices. We conduct an annual internal gender pay equity review to assess base pay for employees at the same career level and job profile within a country location. Where we find discrepancies that are not justifiable, remediation is managed through our salary process as required.

## Strategic report

### ***The interests of the Group's employees (continued)***

We have a mature and comprehensive Safety Management System ("SMS"), which incorporates safety-related policies, roles and responsibilities, training programs and initiatives and mechanisms to measure the effectiveness of our management approach.

### ***The need to foster the Group's business relationships with suppliers, customers and others***

Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas. We recognise the trust that our clients place in us by allowing us to work on many of their most challenging projects daily all around the world and are committed to the highest ethical behaviour and personal integrity in all our transactions and interactions.

We exercise judgment with respect to clients and third parties with whom we engage and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical and sustainability standards and to safe operations.

### ***The impact of the Group's operations on the community and the environment***

Sustainability comprehensively informs our strategic management and operational planning as a professional services business which delivers market leading sustainability consultancy advice to clients.

During FY24, ERM senior leaders engaged our Board and Executive Committee on all aspects of sustainability and ESG including the strategic implications of climate change and the low-carbon economy transition. We continue to make a significant commitment and investment in this area. We are implementing global and regional plans with our Global Industry and Service teams, Regional Leadership Teams and Account Directors across the Group to evolve our response to market demand. Our annual Sustainability Report details our wider Sustainability impacts and performance.

The ERM Foundation supports environmental, community and sustainable development causes through appropriate charitable, educational and scientific means.

### ***The desirability of the Group maintaining a reputation of high standards of business conduct***

Our written Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and that we comply with laws and regulations. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. We apply our business conduct and ethics commitments across every office and activity, every day, with the involvement and awareness of all our employees. All employees and Partners are held responsible for compliance with our Code and policies.

We express this commitment through our business values, our professional standards, staff training and our internal systems and practices. It is key to earning and maintaining the trust of our stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate.

The Board of Directors and Executive Committee are ERM's most significant governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of operations and performance. The Board sets a high standard for ethical behaviour and ensures the Group complies with applicable laws and regulations.

ERM maintains a global anonymous "whistleblowing" reporting system (Helpline) so that concerns about our business operations, including unethical business conduct, can be reported without fear of retaliation. The system is available 24 hours a day, 7 days a week, by a web portal or call-in line with over 18 languages. This is managed by a third party to protect confidentiality. Reported concerns are investigated and addressed in ERM under the supervision of ERM's Chief Compliance Officer.

### ***The need to act fairly between members of the company***

The Board recognises the critical importance of open dialogue and fair consideration of the company's members. We communicate regularly with our institutional shareholder KKR as well as with current and former employee shareholders, some 703 individuals who collectively own approximately 31.55% of the Group's ordinary shares. Shareholders have representation at the Board level and employee shareholders are actively updated via regular reports, calls and written communications.

## Strategic report

### Non-Financial and Sustainability Information Statement

The Non-Financial and Sustainability Information Statement, produced in compliance with The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022, is set out below.

For information relating to ERM's approach to climate and latest emissions data, please refer to our ERM Sustainability Report.

### *Governance of climate risks and opportunities*

#### *Structure*

Responsibility for the consideration of climate-related risks and opportunities is embedded throughout our corporate governance structure. As a professional services business which delivers market leading climate-related and wider sustainability consultancy to clients, consideration of climate-related risks and opportunities comprehensively informs our strategic management and operational planning.

#### *Board's oversight of climate-related risks and opportunities*

The Board of Directors of the Group parent company The ERM International Group Limited is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. Further information on the role of the Board is set out on page 25. The Board meets six to seven times per year to review performance and consider key strategic growth plans, which includes the impact of climate related risks and opportunities on ERM's business strategy, such as our approach to accessing and capitalizing upon the market for energy related transition services.

Supporting the consideration of climate related risks and opportunities is the ESG Risk and Sustainability Steering Group, which serves as an advisory committee to the Board. It works with the Board to identify and manage risks relating to ERM's strategy, reputation, reporting and disclosures. This includes horizon scanning across evolving regulatory, client and wider stakeholder requirements and expectations to inform our positioning on ESG issues, including identifying and managing climate related risks to protect ERM's brand and commercial position.

#### *Management's role in assessing and managing climate-related risks and opportunities*

On a day-to-day basis, the Group is managed by the Executive Committee ("Excom"), comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, industry and client divisions of our operations, legal, people development, sustainability & risk and other professional support functions.

The Excom has accountability for managing business operations and generally meets monthly to discuss performance and plans in support of this. This includes ensuring that the strategic management of our climate related risks and opportunities is being undertaken effectively to optimize current and future business performance through regional and country level planning, recruitment and remuneration, and aligned to our ability to capitalize upon climate related opportunities for commercial growth.

The Excom is supported by the Excom Sustainability Working Group, which advises on all aspects of operationalizing sustainability across our value chain, including our management of climate related risks, operational strategy, programmatic priorities, target setting and resourcing. The Working Group comprises representatives from the Board, Excom and our Global Sustainability Director and Head of Sustainability. This Working Group has oversight and reports into the Excom on ERM's decarbonization strategy and performance against targets, which includes our net-zero and science-based targets ("SBT") commitments, as well as our approach to managing residual emissions and beyond value chain mitigation measures. This is undertaken as part of our wider approach to operationalizing sustainability and involves the identification of relevant KPIs/metrics which support our ability to mitigate against financial material impacts arising from emissions abatement and mitigation, as well as strengthen our positioning as a credible leader in climate advisory services through our own operational decarbonization.

To support our senior leadership, a Climate-related Financial Disclosures/Taskforce on Climate-related Financial Disclosures ("CFD/TCFD") Working Group was created to input and review the identification of climate related risks and opportunities for the business. This Working Group comprises representatives of Risk, Sustainability, Operations, Finance, Client and Services, who provide specialist subject matter expertise on what and how the business should respond to such risks.

## Strategic report

### *Description of how we identify, assess and manage our principal climate related risks and opportunities*

#### *Our approach*

ERM strategically considers all aspects of potential climate related impacts to our operations, including people, industry and service line, operational, financial, geopolitical and legal parameters, to comprehensively assess potential risks and opportunities to our business.

Strategic risks and opportunities are identified through a multi-faceted approach involving ongoing market, regulatory and horizon scanning, engagement with clients and wider stakeholders, the input of our subject-matter experts and senior operational leaders across the globe and is supported by our annual Double Materiality Assessment process. Supplementing this approach and consistent with the recommendations of the TCFD, a further detailed analysis and review of current or emergent climate related risks and opportunities is undertaken annually. This is supported by the CFD/TCFD Working Group who have responsibility for driving implementation of our management of climate risk, working in conjunction with senior management to deliver our strategic and operational work programs. Our senior management include regional and business unit managing partners, service and client leads. The output of this analysis support visibility of the potential impacts across the short, medium and longer-term horizons and informs the content of this statement.

#### *Scope of assessment*

The assessment of climate related risks and opportunities draws upon the scenario analysis and impact identification set out in our FY23 TCFD reporting (published separately in our annual Sustainability Report), augmented by supplementary inputs and analysis from our subject matter experts and CFD/TCFD Working Group during FY24. This process enables the business to review potential climate-related risks and opportunities, expand our understanding of where material exposures may exist and refresh the drivers and timeframes of potential impacts.

The list of climate related risks and opportunities considered in this year's assessment, is provided below.

| Category                          | Climate-related risks and opportunities                                                             |
|-----------------------------------|-----------------------------------------------------------------------------------------------------|
| Markets                           | Changing customer behavior influencing market demand for our services                               |
|                                   | Access to new markets                                                                               |
| Policy and regulatory environment | Increased pricing of GHG emissions abatement                                                        |
|                                   | Enhanced emissions-reporting obligations                                                            |
|                                   | Increased costs and/or reduced demand for products and services resulting from fines and judgements |
|                                   | Mandates on and regulation of existing products and services                                        |
|                                   | Geo-political instability and/or impact to decarbonization policy and regulation                    |
|                                   | Exposure to litigation, directly or through clients                                                 |
| Technology                        | Technology investment required to meet evolving client need                                         |
| Reputation                        | Shifts in consumer preferences                                                                      |
|                                   | Declining investment in climate-exposed assets and products                                         |
|                                   | Increased stakeholder concern or negative stakeholder feedback                                      |
| Physical risks (acute)            | Increased severity of extreme weather events such as cyclones and floods                            |
| Physical risks (chronic)          | Changes in precipitation patterns and extreme variability in weather patterns                       |
|                                   | Rising mean temperatures                                                                            |
|                                   | Rising sea levels                                                                                   |
| Resource efficiency               | Use of more efficient modes of transport                                                            |
|                                   | Use of recycling                                                                                    |
|                                   | Move to more efficient buildings                                                                    |
|                                   | Reduced water usage and consumption                                                                 |
| Energy sources                    | Use of lower-emission sources of energy                                                             |
|                                   | Use of supportive policy incentives                                                                 |
|                                   | Use of new technologies                                                                             |
| Resilience                        | Resource substitutes/diversification                                                                |

## Strategic report

### *Description of how we identify, assess and manage our principal climate related risks and opportunities (continued)*

#### *Scenario analysis*

Consistent with our previous TCFD disclosures published separately in our annual Sustainability Reports, the impact assessment is based on three timeframe scenarios, which this year also considers our latest operational decarbonization targets, validated as in alignment with the SBTi Net Zero Standard.

Our scenario analysis considers time horizons for physical climate and the transition to a low-carbon economy, as well as the changes in the global economy and markets we operate in. We recognize that climate-related issues can manifest over medium and longer-term timeframes. We have reflected this in our selection of time horizons outlined in the table below, which are linked to our strategic commitments and planning horizons. We have also considered the impacts on our own operations and services over shorter timeframes to reflect the interests of our investors.

Each scenario takes into consideration the potential impacts arising from physical climate change and the transition to a low-carbon economy respectively. The scenarios selected align with guidance and reflect the latest dataset available from the leading international bodies and combine qualitative storylines of social features and quantified measures of development alongside climate data to create plausible scenarios for how quickly society can curb emissions.

#### Physical scenarios and associated time horizons selected for ERM's Scenario Analysis

|               | <b>Shared Socioeconomic Pathway (SSP) 1 – 2.6</b>                                                                                                                            | <b>Shared Socioeconomic Pathway (SSP) 5 - 8.5</b>                                                                                                                                            |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Source        | Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6) and Shared Socioeconomic Pathways (SSP).                                                          |                                                                                                                                                                                              |
| Description   | Referred to as a lower-emissions scenario, this projects warming to remain below 2 degrees Celsius by 2100, and is aligned to current commitments under the Paris Agreement. | A high-emissions scenario, which follows a business-as-usual trajectory and assumes limited additional climate policy or regulation, resulting in carbon dioxide emissions tripling by 2100. |
| Time Horizons | Across three time scenarios of up to 2026, up to 2030 and up to 2040 but principally informing the 2030 and 2040 assessment of impact.                                       |                                                                                                                                                                                              |

To assess trends related to the transition to a low-carbon economy, we used the International Energy Agency (IEA) and Network for Greening the Financial System (NGFS).

#### Transition scenarios and associated time horizons selected for ERM's Scenario Analysis

|               | <b>Net-zero Emissions Scenario (NZE)</b>                                                                                                                                                                                                                           | <b>Stated Policies Scenario (STEPS)</b>                                                                                                                                                                                                                                                                          |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Source        | International Energy Agency (IEA) & Network for Greening the Financial System (NGFS).                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                  |
| Description   | A scenario where ambitious climate policies and low-carbon market drivers limit warming to 1.5°C and net-zero emissions are met by 2050. This has been supplemented by the NGFS Net Zero 2020 scenario where needed and is referred to as the low-carbon scenario. | In the framework of the yearly issued World Energy Outlook (WEO), this considers a pathway that takes account of announced climate-related policies but does not forcefully pursue decarbonization. It is supplemented by the NGFS Current Policies scenario and can be referred to as the high-carbon scenario. |
| Time Horizons | Across all three timeframes of up to 2026, up to 2030 and up to 2040.                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                  |

As per previous analyses, the greatest level of surety exists around the short-term scenario planning and identification of potential climate related risks and opportunities. As the scenarios progress towards our longer-term timeframe of up to 2040 the analysis represents horizon scanning based on analysis of the impacts of ongoing climatic change on the physical environment, anticipated variability in terms of adaptation across our geographical operations and potential evolution of the market and client demand.

| <b>Scenario</b> | <b>Timeframe</b> | <b>Context</b>                                                                                                                    | <b>Associated Plans</b>                                                 |
|-----------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Short-term      | Up to 2026       | Representing our immediate and short-term planning scenario which takes the business to 2026                                      | Current Business Plan                                                   |
| Medium-term     | Up to 2030       | Representing our medium-term planning scenario and aligning to key operational decarbonization SBTi targets of 2028 and 2030      | Decarbonization Strategy: SBTi 2028 & 2030 emissions reductions targets |
| Long-term       | Towards 2040     | Representing our longer-term planning scenario and aligning to our SBTi 2040 net zero target and further horizon scanning to 2050 | Decarbonization Strategy: SBTi 2028 & 2030 emissions reductions targets |

## Strategic report

### *Description of how we identify, assess and manage our principal climate related risks and opportunities (continued)*

#### *Impact assessment parameters and financial materiality*

To support our analysis, we have assessed differing parameters by which climate related risks or opportunities may impact our business, these include:

- point of impact on our operations;
- whether the impact is realized now (actual) or potential;
- the likely duration of impact;
- the geographical scope of our operations impacted and potential variation within this;
- the estimated magnitude of potential impact to our operations;
- the probability of potential impacts being realized; and
- whether mitigation is possible and what this may look like.

The consideration of these impact parameters informs the analysis of the financial implications of the identified residual risks and opportunities. This is assessed through the following considerations:

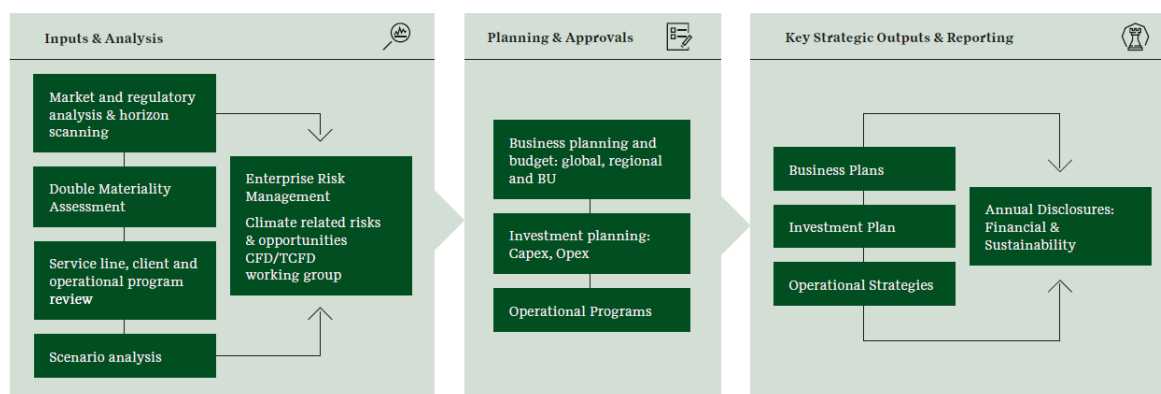
- The cost of required mitigation and/or enhancement of the identified risk or opportunity respectively – this is assessed as a capex/opex cost and considered in the context of our overall investment strategy and operational budgets. This is rated as low, medium, or high in terms of financial cost and impact on our business.
- The potential impact to our revenue generation and profitability of the residual risk or opportunity post mitigation/enhancement. This is considered in the context of overall current and projected growth of the business and rated as low, medium, or high in terms of financial impact and either positive or negative subject to whether this is generation/value creation or extraction.

Based on this analysis, an assessment is made of the projected financial impact of the risk or opportunity against each of the three scenarios timeframes – short, medium and long term. A final determination is then made of whether the identified risks and opportunities are currently regarded as material to our business or not, with accompanying narrative. Where we anticipate materiality to change over the timeframes, this is also noted.

#### *Management of risk*

The key risks and opportunities identified are incorporated into the enterprise risk register, overseen by our Global Head of Risk, who uses this to report to ExCom and to our Board. The register remains live and subject to ongoing review from our ExCom and Board, and informs the identification of key strategic risks and opportunities for the business and supports commercial planning, investment strategy and our operational programs.

Our approach to identification, assessment and management of risk:



Our enterprise risk management process aligns broadly with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework, which addresses control environment, risk assessment, information and communication, monitoring, and existing control activities. This includes the integration of material climate-related issues into our risk management and our strategy. Under the oversight of our Global Head of Risk, our Risk function serves as a second-line support to help our organization deliver on our goals, anticipate and manage risks, flow risk information to decision makers and implement and continually improve risk management.

#### *Principal climate-related risks and opportunities*

The summary of this year's assessment findings on our principal material climate related risks and opportunities is set out in the next section. To note, the assessment is reviewed on an annual basis and updates will be reported each year in this statement to accompany our annual financial reporting.

## Strategic report

### Principal climate-related risks and opportunities (continued)

| Topic                                                                 | Potential financial impact                                                          | Risk or opportunity | Short-term: up to 2026 | Medium-term: up to 2030 | Long-term: towards 2040 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Drivers</b>                                                 |                                                                                     |                     |                        |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Changing customer behavior influencing market demand for our services | Change in demand for climate-related services and transition of high carbon sectors | Opportunity         | Material               | Material                | Material                | Our business is predicated on providing professional services to enhance sustainability performance in our client base. We see the demand for such services as continuing to escalate and therefore presents as a material opportunity. Our geographical scope, breadth of our technical expertise and ability to diversify our service offering in anticipation of/response to client need, positions us well to capitalize upon this market opportunity which we anticipate will be sustained and demand then accelerate as we progress towards 2040 as the urgency of addressing climate change intensifies.                                                   |
|                                                                       | Decline of spend for activities within sectors that cannot transition               | Risk                | Decreasingly Material  | Not Material            | Not Material            | Our business supports our client base in transitioning to a low carbon future, including working with those currently in more carbon intensive industries who are seeking to make this transition. Our business model is predicated on shifting away from those projects/activities which do not support transition to a low carbon future. As such, the potential future state decline of activities within sectors that can't transition represents an increasingly diminishing financial impact to our business.                                                                                                                                               |
|                                                                       | Retirement of high carbon production assets                                         | Opportunity         | Material               | Material                | Material                | We are already supporting clients with the divestment of high-carbon assets worldwide and predict the demand for services will continue to increase, particularly within certain regions/geographies. We have a strong and growing service line which supports the transition of assets to facilitate renewable energy generation and, whilst this has emerged more strongly in certain geographies, it is anticipated that this will become global in scope in the short to medium term. Anticipating this demand, we have catered service line development and team capacity to meet this and view this as a financially material opportunity for the business. |
|                                                                       | Increase in demand for low carbon infrastructure, products and services             | Opportunity         | Material               | Material                | Material                | The business is already seeing the demand for low carbon infrastructure, products and services materializing and we anticipate a sustained increase in the demand for our professional services in support of this, across the time horizons. This represents a financially material opportunity for the business and one which we have strategically positioned ourselves to capitalize upon through capacity building across our operational geographies. This includes acquisition of specialist capacity which has significantly enhanced our ability to meet ever increasing client demand and further capitalize upon our market presence.                  |

## Strategic report

### Principal climate-related risks and opportunities (continued)

| Topic                                                                                              | Potential financial impact                                                                                    | Risk or opportunity | Short-term: up to 2026 | Medium-term: up to 2030 | Long-term: towards 2040 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access to new markets                                                                              | Increased revenues through access to new and emerging markets (e.g., partnerships with governments, banks)    | Opportunity         | Material               | Material                | Material                | Our business strategy includes investment in strategic partnerships which bolster our capacity to access or enhance our position in emerging markets globally and materially increase revenue generation. A recent example of this is our formation of a partnership with Sumitomo Mitsui Trust Bank, Limited ("SMTB"), aimed at advancing climate change solutions in Japan. Emergent markets for climate-related services represent a financially material opportunity to the business both now and in future state. As with aforementioned opportunities, we anticipate this opportunity will be sustained and demand accelerate as we progress towards 2040 as the urgency of addressing climate change intensifies.    |
| <b>Policy and regulatory environment</b>                                                           |                                                                                                               |                     |                        |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Increased pricing of GHG emissions                                                                 | Increased client demand for carbon trading and beyond value chain mitigation                                  | Opportunity         | Material               | Material                | Material                | Key to our business strategy is a dual approach of acquisitions and service line development to meet the current and anticipated evolving market demand for carbon trading and beyond value chain mitigation. ERM acquired specialist expertise in the form of Coho and has also developed ERM Climate Markets, a new capability and business line that supports clients to mitigate their unabated emissions through investment in high-quality carbon credits that support their broader net zero and sustainability goals. The demand for these services is already evident and anticipated to increase across near, medium, and long-term scenario planning and presents a financially material impact to the business. |
| Increased costs and/or reduced demand for products and services resulting from fines and judgments | Increased costs and/or demand for products and services resulting from fines and judgments within client base | Opportunity         | Material               | Material                | Material                | We provide specialist support to our clients to enable them to meet current and future state regulatory requirements and enhance the sustainability of their operations. This serves to bolster their ability to meet stakeholder requirements and reduce their exposure to potential fines and judgments. The provision of services to operationalise sustainability in our clients is a commercial opportunity for us, which is material in terms of financial impact. Our strategy is to continue to invest in technical expertise and technology enablement to support our service delivery and escalating market need in this context.                                                                                 |

## Strategic report

### Principal climate-related risks and opportunities (continued)

| Topic                    | Potential financial impact                                                                                                  | Risk or opportunity | Short-term: up to 2026 | Medium-term: up to 2030 | Long-term: towards 2040 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Exposure to litigation   | Impact to client strategy and demand for advisory services                                                                  | Opportunity         | Material               | Material                | Material                | Across the globe but particularly in developed economies, there has been an increase in stakeholder led litigation, as stakeholder scrutiny of corporate performance has evolved into direct legal challenge, with both the efficacy of transition planning and compatibility of corporate investment with climate regulatory frameworks being two of the central foci for litigation. We expect this trend to continue with escalation anticipated across our scenario timeframes as the drive for net zero gains ever increasing urgency and societal scrutiny intensifies. We already see our client base responding to this trend and anticipate ongoing increase in demand for our services to support pre-emptive measures to mitigate litigation. We view this as a financially material opportunity for the business, with ongoing review of specialist capacity being critical to meet demand. |
| <b>Technology</b>        |                                                                                                                             |                     |                        |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Technological investment | Capital investments in technology development to address client need & market opportunity for technology services to client | Opportunity         | Material               | Material                | Material                | The business has been strategically investing in technological advancements which support our diversification of services to meet evolving client demand, key amongst which is investment in technology which supports ever increasing disclosure requirements. Our technology portfolio now contains an array of products directly created to meet identified need and positions strongly to capitalize upon growing market demand. This is augmented by commercial partnerships with many third-party digital software providers. Across all scenario planning, this represents a financially material opportunity for the business.                                                                                                                                                                                                                                                                  |

## Strategic report

### Principal climate-related risks and opportunities (continued)

| Topic                                | Potential financial impact                                                           | Risk or opportunity | Short-term: up to 2026 | Medium-term: up to 2030  | Long-term: towards 2040  | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------|--------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Resilience</b>                    |                                                                                      |                     |                        |                          |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Physical risks - acute               | Increased severity of extreme weather events such as cyclones and floods             | Risk                | Not Material           | Potential to be Material | Potential to be Material | In the event of an acute physical risk, such as a cyclone or floods, our operational priority is focused on prioritizing the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to home-based working and through the leasing of temporary office facilities, should our offices be physically impacted. Disruption to business continuity in the respective location is, therefore, anticipated to be temporary and can be mitigated through the aforementioned measures, as our recent experience in managing the impacts of flooding to our Brazilian business unit has reinforced. Our business continuity and travel planning should help minimize impacts to employees working remotely or in-field. Repairs to the physical infrastructure of the office are anticipated to be recoverable through our insurance and the financial impact to the business whilst material in the immediate impact is not considered material in respect of the global financial performance of the business. We will actively monitor changing climatic conditions and the potential for acute physical risks to become chronic and impact a wider geographical area. We have, therefore, noted the potential for chronic physical risks to become material in the medium to long term, though offset by mitigation measures. |
| Resource substitutes/diversification | Increased cost of retaining supply chain ability to operate under various conditions | Risk                | Not Material           | Not Material             | Potential to be Material | Future state, suppliers and specifically subcontractors, may face increased challenges and cost in operating within physical environments impacted by climatic change, particularly those who conduct in-field services for us. There is also recognition that as regulatory requirements for decarbonization and enhanced disclosure continue to grow, this may increase costs for SME and niche suppliers. The business is focused on engaging our subcontractors to understand and build capacity in terms of decarbonization, adaptation and resilience to ensure continuity of service provision. This does not currently present a material risk to the business but we remain alert to the need to pre-emptively mitigate against this and diversify the supplier base if required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Strategic report

### ***Physical climate related risks and opportunities***

As noted previously, the assessment considered a broad range of potential climate related risks and opportunities which includes physical risks, both acute and chronic, and the impact this could potentially have on our business operations.

The impact of climate change in terms of temperature rise, changes in precipitation patterns and volume, variability and extreme weather is already being seen across the globe. We are alert to the risks that this may pose in the future to our operations, as with any multinational business.

The nature of our business is primarily office based, either in our own offices or those of our clients. With respect to our own operations, our Global Operations teams oversees the running of our offices, working with regional and local facilities teams which annually plan for the requirements associated with each office, consistent with our stringent Health & Safety requirements. Air conditioning and/or heating is integral to our office running and we are strategically committed to the use of renewable energy across all our offices, pursuant to our decarbonization strategy and also purchase renewable energy certificates ("REC"s) to offset residual emissions. We proactively budget for the cost of this, whilst also seeking to incrementally introduce energy efficiency measures through our office optimization program. The cost - both current and future state - is not financially material.

Acute physical risks pose potential disruption to any business and have been considered in relation to the physical location of our offices, specifically those in locations identified as being current or potentially prone to extreme weather conditions. This also takes into consideration existing and predicted capacity to adapt to such conditions. In the event of an acute physical risk, such as a cyclone or flood, our operational priority is the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to alternative working environments, including home working and alternative premises. Subject to the scale of impact of the specific physical risk, for example, if the impact is felt on a national or regional geographical basis, the impact to our business has the potential to be material in the immediate term. This impact will be mitigated by the operational measures we would deploy.

In the event that physical risks are anticipated to become chronic, for example, increased and sustained high temperatures, adaptation measures will be considered in respect of the relevant office and business unit operational planning. Actions would then be undertaken through our office optimization and business unit planning, to adjust our office working environment or relocate to alternative premises. Employee commuting to work and work undertaken in-field would also be adjusted to reflect changed climatic conditions and incorporated into our working practices, Health & Safety protocols and service delivery plans. This would be proactively assessed, factored into the respective business unit budget and implemented in a manner which we do not anticipate to be financially material to the business unit or wider business but have conservatively noted as a potential material risk in the medium to long term, which will be actively monitored and mitigated against.

### ***Impacts to our operational strategy and business resilience***

Our operational strategy actively considers the potential varying impacts to business continuity and resilience in the short, medium and long-term which would emerge from the different assessment scenarios. Whilst it is hoped that we will see the realization of the SSP1/NZE low emissions, net-zero emissions scenario, the business is also prepared for the possibility of the SSP2/STEPS high carbon emissions scenario, in the event that there is a more passive approach adopted to decarbonization by states, businesses and wider stakeholders.

#### ***SSP1/NZE Low or net-zero emissions scenario***

In the scenario of SSP1/NZE net-zero emissions scenario, we anticipate demand for our commercial services will continue to increase across the three time horizons. Immediate and short-term demand arises from clients who are actively transitioning now, the early movers and/or those preparing for future state transition. Demand for services is anticipated to continue and likely escalate as we move towards 2030 and a further wave towards the 2040 time horizon for those industries/sectors which may require a more staged or elongated timeframe for transition. Through a strategy of targeted acquisitions and strategic hires, service line development and consolidation of our technical communities, employee retention and recruitment programs, we are positioned to meet the anticipated increasing and diversified client need. This also enables us to capitalize upon anticipated climate related commercial opportunities across short-, medium- and long-term horizons.

## Strategic report

### *Impacts to our operational strategy and business resilience (continued)*

As a global sustainability consultancy, we operate in accordance with our longstanding commitment to demonstrate credible net zero leadership and implement operational programs consistent with this. From an operational perspective, our established decarbonization program which has been validated to align with the SBTi Net Zero Standard, sees us on a sustained pathway of emissions reduction in pursuit of net-zero by 2040. This positions us to be beyond compliant with both current and projected escalating regulatory commitments to reduce emissions across medium and longer-term scenario timeframes. Our incremental emissions reductions also buffer the business against potential rising costs associated with market-based mechanisms delivering credits and beyond value chain mitigation.

Even under a low or net-zero emission scenario, acute physical risks are likely to continue to become manifest, with varying ability to adapt to such risks in geographies across the world. As outlined in the assessment, however, we believe the impact of such risks to be temporal in nature and limited in terms of their potential financial materiality to the business. We have established adaptation measures integrated into our business planning to enable continuity of services to clients and business resilience.

#### *SSP2/STEPS High carbon emissions scenario*

ERM is committed to working with stakeholders to avoid the realization of the SSP2/STEPS high carbon emissions scenario but we nonetheless take into consideration the potential for this scenario to be realized. Even in the scenario of other state or business actors seeking to adopt a more passive approach to decarbonization, we believe wider societal, consumer and investor demand will at least partially mitigate against this. As previously noted, ERM seeks to work with those businesses who are invested in delivering a low-carbon future, providing ongoing demand for our services.

Our cross-sectoral and global coverage enables us to flex and remain agile and resilient in the face of geo-political uncertainty impacting the speed or scale of policy and regulatory driven change and potential variability in the rate of transition across sectors or geographies. In the event of industry or country specific policy and regulatory uncertainty impacting market demand, our operational model enables rapid retraining and/or redeployment of personnel, to mitigate against potential material financial impact. This can be undertaken on a temporary or sustained basis, subject to projections of how we anticipate the respective sector or country will respond in the short to medium term.

We will also seek to continue the decarbonization of our own operations. Through our strategic approach, we reduce the financial impact of carbon credits and beyond value chain mitigation, supporting our ability to deliver net-zero in a cost efficient and resilient manner.

Under the high carbon emissions scenario, there is an increased likelihood of physical risks becoming chronic and a reduced potential for certain economies to adapt or increased level of investment required to support this. Our ongoing constraints mapping will actively consider this and inform our planning around office location and deployment of personnel in-field, working with clients, to ensure we continue to deliver services and remain resilient. Any potential realization of the high carbon emissions scenario will be gradual and actively monitored. Our operational strategy supports the business to capitalize upon market demand, reflecting our assessment of current and projected climate related commercial opportunities and taking into consideration foreseeable geo-political, regulatory and sectoral disparities to support business resilience.

### *Targets and monitoring of performance*

The nature of our business means that the suite of our metrics/targets are collectively focused on supporting our own operational decarbonization and that of our clients, and the commercial opportunity which this creates. Our business plan integrates targets aimed at sustaining and growing our business across short-, medium- and long-term planning, and takes into consideration our geographical scope, sectoral presence, and projected demand for our service lines across the scenarios set out in this assessment. Commercial targets are set accordingly for service teams, sector, and client workstreams, and for our business units and regions, which are integrated into business planning. Progress against these commercial targets is monitored on a quarterly, half-yearly and annual basis.

A wider set of sustainability metrics are also established each year to support our operational programs, including in key areas such as people management and the recruitment and retention of staff which supports our ability to be agile in the face of increasing market demand or climate related professional services. Performance against these targets is published in our annual Sustainability Report and our wider financial performance is set out in these financial statements.

A summary of relevant targets, KPIs and historical baseline data, where available, is set out on the next page.

## Strategic report

### Targets and monitoring of performance (continued)

| Category                                                    | Target                                                                                                                                             | KPI                                                                                                                                                                                                                 |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adaptation to changing physical environment</b>          | Protection of health, safety and wellbeing of office working environment for employees in face of changing climate and extreme weather conditions  | New: Track % of offices with updated business continuity plans that take into account climate related physical risks.                                                                                               |
|                                                             | Protection of health, safety and wellbeing of employees in-field/conducting survey work in face of changing climate and extreme weather conditions | New: Develop methodology and KPI to track productivity loss arising from physical risks (e.g., days lost due to inability to conduct in-field survey activity due to extreme weather/changing climatic conditions). |
| <b>Transition of operations</b>                             | Decarbonization of operations, including supply chain, to reduce financial cost of emissions abatement, credits and beyond value chain mitigation  | Reduce scope 1, 2 and 3 emissions in line with SBTi targets against FY20 baseline.<br><br>For historical performance data; see table 1 below.                                                                       |
| <b>Changing market for climate-related service delivery</b> | Capitalizing upon increased market demand for professional services to support client transition                                                   | Year on year growth in net revenue; see summary results on page 3.                                                                                                                                                  |

#### Our decarbonization targets

ERM's targets have been validated by SBTi as aligned to the Net Zero Standard. This means we are committed to reaching net-zero greenhouse gas emissions across the value chain by FY40.

#### Our near-term targets:

By 2028: 45% of suppliers by emissions covering purchased goods and services will have science-based targets.

By 2030, we will:

- reduce absolute scope 1 and 2 GHG emissions by 50%;
- achieve 100% annual sourcing of renewable electricity (currently at 99%); and
- reduce absolute scope 3 GHG emissions from business travel and employee commuting by 42%.

#### Our long-term targets:

By 2040, we will:

- reduce absolute scope 1 and 2 GHG emissions by 90%; and
- reduce absolute scope 3 GHG emissions from purchased goods and services, business travel and employee commuting by 90%.

Both near-term and long-term targets are set against a FY20 base year.

#### Historic performance data

Table 1: GHG emissions reduction

|         | FY20 baseline<br>(tCO <sub>2</sub> e) | FY24<br>(tCO <sub>2</sub> e) | % reduction<br>against<br>baseline |
|---------|---------------------------------------|------------------------------|------------------------------------|
| Scope 1 | 1,350                                 | 1,037                        | 23%                                |
| Scope 2 | 2,582                                 | 1,750                        | 32%                                |
| Scope 3 | 51,571                                | 41,524                       | 19%                                |

## Strategic report

### Principal risks and uncertainties

The key risks that the Group is exposed to are reviewed regularly by senior management, the Executive Committee and the Board of Directors.

#### ***Risks relating to the Group's financial condition: credit risk, liquidity risk and interest rate risk***

The Group's credit risk is primarily attributable to its debtors and amounts recoverable on contracts. The Group has no significant concentration of credit risk, with exposure spread over a large number of high quality counterparties and customers.

In keeping with the financing model selected by the shareholders, the Group has significant indebtedness and a substantial portion of cash flow from operations is used for the payment of interest. The Group has both interest rate and exchange rate exposure. There are also certain restrictions and covenants imposed by the terms of these debt facilities. Debt maturity dates are 2027 to 2028.

These risks are managed by strong reporting, control and forecasting of cash flows and by regularly deciding on whether to hedge a portion of debt at fixed interest rates, considering inter alia forecasts on interest rates, interest cover, cash flow and cash on hand. See note 26 for details of interest rate hedges in place. The Group's indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. At the year end the Group also had a revolving credit facility of \$238 million, which was undrawn (\$4.1 million of the undrawn amount was utilised as security for bank guarantees).

#### ***Risks relating to the Group's business performance, to end markets and to political and regulatory factors***

The Group faces a competitive market, parts of which have relatively low barriers to entry. The Group may be exposed to liabilities in connection with its business and its liability for potential claims or pending claims may exceed its insurance coverage or no insurance coverage may exist for such claims. Further, the Group may fail to meet cost, schedule or performance requirements under client contracts. Changes in environmental laws, regulations and Government policy may adversely affect the Group's business, as may foreign, political or economic instability, due to the large number of countries in which the Group operates.

Some of ERM's end markets are somewhat cyclical in nature. Whilst the Group's revenues are drawn from a range of private and, to a lesser extent, public markets, material downturns in some markets could impact the business. We are, however, very well diversified across the Energy, Power, Chemical, Technology, Finance, Manufacturing, Mining and Pharmaceuticals sectors.

These risks are managed by anticipating consultancy trends and identifying new markets and sectors in which the Group might operate and ensuring that we continue to be well diversified across sectors, geography and services. The Group has processes to manage contractual conditions with appropriate insurance arrangements in place and to identify and manage contingent liabilities when they arise. The Directors believe that the Group has adequately provided for known liabilities and that it has adequate insurance to cover known potential legal claims. The Group maintains strong links between individual business units and has a strong regional management structure, which is responsible for managing and co-ordinating activities within each geographic region.

## Strategic report

### ***Risks relating to the Group's personnel***

The Group's operating result requires the Group to maintain a high degree of utilisation of its consultants. The Group's future success will depend on its ability to attract and retain key personnel. These risks are managed by monitoring and optimising staff utilisation and by having remuneration policies which reward performance and incentivise continued employment with the Group.

We need to position ourselves to attract the talent we need in an increasingly competitive marketplace. ERM's challenge is to scale our talent with our business, embrace new capabilities and evolve our working culture. The HR function needs to be set up for success to help ERM navigate these challenges. We are investing in the programs and capabilities required to accelerate hiring, development, engagement and retention strategies in order to realise our growth ambition and attract and retain talent within an increasingly competitive market.

### ***Climate-change related risks***

Climate-related financial risks and opportunities have a direct impact on the Group's business, strategy, and trajectory. We ourselves are in a transition as the economy moves to a low-carbon future. Our portfolio of clients and projects has changed significantly in recent years as the inter-relationship between climate, nature and social issues present new risks and opportunities for the private and public sectors. Refer to the Non-Financial and Sustainability Information Statement section above for detailed discussion of climate related risks and opportunities.

The Group plays an active role in various multistakeholder initiatives on climate including the Business Ambition to 1.5 degrees, the World Business Council for Sustainable Development climate and energy programs and the Climate Pledge.

### ***Future developments***

We believe that, despite current economic uncertainty, ERM has an extraordinary growth opportunity, and commensurate challenge, ahead of us in the next financial year and beyond. While some FY24 headwinds continue to linger into FY25, the Directors are confident of achieving our budgeted growth for the year ended 31 March 2025, which is supported by our recent sales trends, record backlog, and diversified service and sector client base.

Client demand is buoyed by LCET and ESG market drivers that we believe will provide lasting tailwinds for continued market growth. We will leverage our exposure to a large growth industry with a strong focus on the ESG theme and proliferation of 'sustainability' and 'social responsibility' trends driving visible non-discretionary revenue streams.

We will continue with our strategy, which is to grow and build our presence in major markets, through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas.

In order to achieve our growth aspiration, our future investment activities will include:

- expanding investment in our commercial excellence agenda to include a focus on growing our client relationship programme;
- expanding our key service offerings so that we are positioned to gain from the proliferation of Sustainability, Climate Change, LCET and ESG super-trends;
- continued focus on inorganic growth from acquisitions;
- expanding the role of technology and data in our service offerings and in our operational delivery; and
- development of key areas such as cyber, risk, DE&I and brand to align with the Group's growth ambitions.

## Strategic report

### Summary

FY24 saw us successfully grow net revenue and use this momentum to make investments in our business to set us up for further growth in future years. We are optimistic about the future given the increased awareness of sustainability and growth in the market. Diversification has created a more balanced portfolio with reduced concentration risk in sectors, service lines, geography and customers. Demand for ERM's services is evolving in a dynamic market environment and this demand is to some extent decoupled from levels of underlying economic growth where these services are now seen as mission critical and strategic for our customers. We remain excited by the opportunities ahead for us and we are maintaining investment and growing client relationships. We are well structured and financed and have strong current liquidity to ensure our business continues to thrive.



Thomas Reichert  
Chief Executive Officer  
1 July 2024

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2024.

### Directors

The executive Directors who served during the year were:

|                  |                                          |                         |
|------------------|------------------------------------------|-------------------------|
| Thomas Reichert  | Chief Executive Officer                  |                         |
| Timothy Strawn   | Regional Chief Executive Officer         |                         |
| David McArthur   | Strategic Advisor                        |                         |
| Sabine Hoefnagel | Global Leader of Sustainability and Risk |                         |
| Susan Angyal     | Regional Chief Executive Officer         | (appointed 5 June 2023) |

The non-executive Directors who served during the year were:

|                      |                        |
|----------------------|------------------------|
| Rami Bibi            |                        |
| Tomás Hevia Armengol |                        |
| Mattia Caprioli      |                        |
| Tim Franks           | (resigned 7 July 2023) |
| Lars Kolks           |                        |

### Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Please refer to page 38 for further details.

### Charitable and political donations

In the year ended 31 March 2024 the Group made donations of \$469,000 to charities (2023: \$387,000), including \$406,000 to The ERM Foundation (2023: \$315,000). The Group also covered some of the administrative costs of running The ERM Foundation and its associated programmes.

The ERM Foundation supports environmental, community and sustainable development causes through appropriate charitable, educational and scientific means.

Neither the Company nor any of its subsidiaries has a policy of making financial donations to political parties or organisations. No such financial donations have been made during the year.

### Employees

The Group is committed to involving all of its employees in the performance and development of the Group. Employees are kept up-to-date on corporate activities through a combination of periodic staff briefings at regional and office levels, team meetings and internal communication channels. Our intranet and regular electronic newsletters keep employees informed of the Group's success in the marketplace and provide information on internal job vacancies.

It is the Group's policy to give full consideration to suitable applications for employment of disabled persons and to comply with applicable equal employment opportunity laws as to race, colour, religious creed, sex, age, national origin, marital status, ancestry, sexual orientation, veteran status, medical condition or any other legally protected status. Disabled employees are eligible to participate in all career development opportunities available to staff. See pages 8-9 for further detail of how the Directors have engaged with the Group's employees, suppliers, customers and other stakeholders.

## Directors' report

### Corporate governance

Management is focused on continuing to build a platform for strong and sustainable growth in both revenues and earnings. In order to achieve this objective, the Group is committed to the highest standards of corporate governance and stewardship. The main platforms are:

- Strong regional management based close to regional operations;
- Global management team with close oversight of regional and business unit management;
- Consistent and strong financial controls;
- Centralised global financial and treasury management structure, but deployed regionally and co-located with the operations;
- A global financial and project management system;
- Strong and clear policies, procedures, training, leadership and periodic performance review in the areas of business conduct & ethics and health & safety; and
- Corporate stewardship reinforced through employee ownership.

During the year, the Group continued to increase its activities in managing the risks associated with entering into professional service contracts, evolving and expanding our global contracts management system, as well as continuing to develop and enhance its risk management tools and processes in relation to project management and subcontractors.

### The workings of the Board

The Board of Directors usually meets six to seven times during the year, with extra meetings as required.

An Executive Committee oversees the day-to-day management of the Group's business activities and strategic programmes.

The Board is responsible for implementing, monitoring and reviewing the effectiveness of the system of management control. These processes include:

- Comprehensive budgeting, with plans and budgets annually approved by the Board;
- Monthly financial reporting comparing actual performance against budget and prior year results on a monthly and year-to-date basis;
- The review of business performance by our senior executives;
- Regular consideration by the Board of actual performance against budgets and business plans;
- Regular discussion by the Board of the Group's forecasts and business prospects;
- The review of significant risks faced by the Group;
- Ensuring key officers review financial and other controls across the Group;
- Discussions and review of the issues arising from the external audit; and
- Regular reporting of legal and accounting developments.

The Regional Finance Directors, who report to Regional CEOs and the Chief Financial Officer, ensure that adequate controls are in place within the business units. In addition, a system of self-certification is in place in the business units. This requires business units to certify their compliance in areas of corporate governance and management control. The responses are reviewed by regional and Group management.

### Communications with shareholders

There is regular communication with KKR and its main co-investors as well as with employee shareholders (refer to page 8 of the Strategic Report for further details).

### Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP will be re-appointed as the auditor.

### Events since the balance sheet date

Please refer to subsequent events in note 30.

## Directors' report

### Directors' statement as to disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all steps that he/she is obliged to take, as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Directors' and officers' liability insurance

ERM maintains liability insurance for the Directors and officers of the company and of all its subsidiaries. In addition, the Directors of the Company are granted indemnities in respect of certain liabilities or loss that may arise out of or in connection with their duties to ERM, and in accordance with the Companies Act 2006 and the Articles of Association of the Company.

### Directors' conflict of interest

The Articles of Association of the Company contain provisions which are consistent with ERM's Code of Conduct and the Companies Act 2006 regarding actual or potential conflicts of interest involving Directors.

### Dividend

The Directors do not recommend payment of a dividend (FY23: did not recommend payment of a dividend).

### Principal risks and uncertainties

Please refer to the strategic report on page 21.

### Future developments

Please refer to the strategic report on page 22.

This report was approved by the board of directors and authorised for issue on 1 July 2024. They were signed on its behalf by:



Thomas Reichert  
Chief Executive Officer

Registered No. 13391605

## Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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 financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 101 "Reduced Disclosure Framework" 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 of the parent Company and of their profit or loss for that period.

In preparing the parent Company financial statements, the Directors are required to:

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

In preparing the Group financial statements, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

# Independent auditor's report

## to the members of The ERM International Group Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion:

- the financial statements of The ERM International Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the material accounting policy information; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included an assessment of the entity's:

- financing facilities including nature of facilities, repayment terms and covenants;
- linkage to business model and medium-term risks;
- assumptions used in the forecasts;
- amount of headroom in the forecasts (cash and covenants);
- sensitivity analysis; and
- the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

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

# Independent auditor's report

## to the members of The ERM International Group Limited

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 for the audit of the financial statements

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

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

### Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, in-house legal counsel and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included UK Employment Law, Environmental Legislation and General Data Protection Regulations ("GDPR").

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

# Independent auditor's report

## to the members of The ERM International Group Limited

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- valuation of long outstanding work in progress ("WIP") on projects that significantly exceed regional average WIP days and the accuracy of the associated revenue. We have:
  - using data analytics, identified projects with WIP balances that significantly exceed regional averages and performed detailed testing procedures on a sample of projects to challenge the basis for the project completion and recoverability; and
  - performed additional inquiry with project managers or project partners to validate projects back to agreements and supporting documentation in order to challenge the valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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 respect of these matters.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Matthew Ward FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
1 July 2024

# Consolidated income statement

For the year ended 31 March 2024  
In \$000

|                                                                                                           | Notes    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| Gross revenue                                                                                             | 5        | 1,379,588                   | 1,321,055                   |
| External project costs                                                                                    |          | (264,027)                   | (291,910)                   |
| <b>Net revenue</b>                                                                                        | <b>5</b> | <b>1,115,561</b>            | <b>1,029,145</b>            |
| Other income                                                                                              |          | 2,119                       | 882                         |
| Staff costs                                                                                               | 6        | (850,055)                   | (769,637)                   |
| Other operating expenses                                                                                  | 7        | (85,797)                    | (78,421)                    |
| Share based payments expense                                                                              | 22       | (8,759)                     | (4,804)                     |
| Depreciation of property, plant and equipment                                                             | 7,10     | (9,568)                     | (7,298)                     |
| Depreciation of right of-use assets                                                                       | 7,11     | (18,515)                    | (19,949)                    |
| <b>Operating profit before amortisation and impairment of intangible assets and net transaction costs</b> |          | <b>144,986</b>              | <b>149,918</b>              |
| Amortisation and impairment of intangible assets                                                          | 7,13     | (187,080)                   | (188,903)                   |
| Net transaction costs                                                                                     | 7        | 19,776                      | (11,978)                    |
| <b>Operating loss</b>                                                                                     |          | <b>(22,318)</b>             | <b>(50,963)</b>             |
| Financial income                                                                                          | 8        | 31,303                      | 14,542                      |
| Financial expenses                                                                                        | 8        | (299,923)                   | (252,142)                   |
| Net financial expenses                                                                                    |          | <b>(268,620)</b>            | <b>(237,600)</b>            |
| <b>Loss before income tax</b>                                                                             |          | <b>(290,938)</b>            | <b>(288,563)</b>            |
| Income tax expense                                                                                        | 9        | (11,151)                    | (3,775)                     |
| <b>Loss for the financial year</b>                                                                        |          | <b>(302,089)</b>            | <b>(292,338)</b>            |
| <b>Attributable to:</b>                                                                                   |          |                             |                             |
| Equity holders of the parent                                                                              |          | (302,096)                   | (292,341)                   |
| Non-controlling interests                                                                                 | 28       | 7                           | 3                           |
| <b>Loss for the financial year</b>                                                                        |          | <b>(302,089)</b>            | <b>(292,338)</b>            |

The current year and prior year results all relate to continuing operations.

## Consolidated statement of comprehensive income

For the year ended 31 March 2024

In \$000

|                                                                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Loss for the financial year</b>                                    | <b>(302,089)</b>            | <b>(292,338)</b>            |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |                             |                             |
| Foreign currency translation differences                              | (10,928)                    | (93,332)                    |
| Deferred tax on retranslation of intangible assets and leases         | 1,276                       | 9,715                       |
| <b>Total comprehensive loss for the year</b>                          | <b>(311,741)</b>            | <b>(375,955)</b>            |
| <b>Attributable to:</b>                                               |                             |                             |
| Equity holders of the parent                                          | (311,748)                   | (375,958)                   |
| Non-controlling interests                                             | 7                           | 3                           |
| <b>Total comprehensive loss for the year</b>                          | <b>(311,741)</b>            | <b>(375,955)</b>            |

## Consolidated statement of financial position

As at 31 March 2024  
In \$000

|                                                                   | Notes | 31 March 2024      | 31 March 2023      |
|-------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                                                     |       |                    |                    |
| <b>Non-current assets</b>                                         |       |                    |                    |
| Property, plant and equipment                                     | 10    | 22,386             | 19,997             |
| Right of-use assets                                               | 11    | 46,711             | 39,716             |
| Net investment in sublease                                        |       | -                  | 67                 |
| Intangible assets                                                 | 13    | 2,636,983          | 2,809,268          |
| Deferred tax assets                                               | 15    | 74,311             | 57,142             |
| <b>Total non-current assets</b>                                   |       | <b>2,780,391</b>   | <b>2,926,190</b>   |
| <b>Current assets</b>                                             |       |                    |                    |
| Trade and other receivables                                       | 16    | 379,263            | 401,640            |
| Current tax assets                                                |       | 18,422             | 6,734              |
| Cash and cash equivalents                                         | 19    | 192,873            | 206,722            |
| <b>Total current assets</b>                                       |       | <b>590,558</b>     | <b>615,096</b>     |
| <b>Total assets</b>                                               |       | <b>3,370,949</b>   | <b>3,541,286</b>   |
| <b>Liabilities</b>                                                |       |                    |                    |
| <b>Current liabilities</b>                                        |       |                    |                    |
| Trade and other payables                                          | 17    | (437,588)          | (477,742)          |
| Borrowings                                                        | 18    | (9,175)            | (7,407)            |
| Lease liabilities                                                 | 20    | (14,272)           | (15,297)           |
| Current tax liabilities                                           |       | (10,993)           | (11,116)           |
| <b>Total current liabilities</b>                                  |       | <b>(472,028)</b>   | <b>(511,562)</b>   |
| <b>Non-current liabilities</b>                                    |       |                    |                    |
| Borrowings                                                        | 18    | (3,402,503)        | (3,235,095)        |
| Lease liabilities                                                 | 20    | (34,518)           | (26,482)           |
| Deferred tax liabilities                                          | 15    | (335,580)          | (342,119)          |
| <b>Total non-current liabilities</b>                              |       | <b>(3,772,601)</b> | <b>(3,603,696)</b> |
| <b>Total liabilities</b>                                          |       | <b>(4,244,629)</b> | <b>(4,115,258)</b> |
| <b>Net liabilities</b>                                            |       | <b>(873,680)</b>   | <b>(573,972)</b>   |
| <b>Shareholders' deficit</b>                                      |       |                    |                    |
| Share capital                                                     | 21    | 714                | 533                |
| Share premium                                                     |       | 36,213             | 31,810             |
| Share based payment reserve                                       |       | 13,233             | 4,804              |
| Own shares held reserve                                           |       | (1,380)            | (400)              |
| Translation reserve                                               |       | (119,967)          | (110,315)          |
| Retained losses                                                   |       | (802,493)          | (500,397)          |
| <b>Total deficit attributable to equity holders of the Parent</b> |       | <b>(873,680)</b>   | <b>(573,965)</b>   |
| Non-controlling interests                                         | 28    | -                  | (7)                |
| <b>Total deficit</b>                                              |       | <b>(873,680)</b>   | <b>(573,972)</b>   |

The financial statements were approved by the board of directors and authorised for issue on 1 July 2024. They were signed on its behalf by:



Thomas Reichert  
Chief Executive Officer

Registered No. 13391605

# Consolidated statement of changes in equity

For the year ended 31 March 2024

In \$000

|                                                               | Attributable to equity holders of the Parent |               |                             |                         |                     |                 | Non-controlling interests | Total deficit |           |
|---------------------------------------------------------------|----------------------------------------------|---------------|-----------------------------|-------------------------|---------------------|-----------------|---------------------------|---------------|-----------|
|                                                               | Share capital                                | Share premium | Share based payment reserve | Own shares held reserve | Translation reserve | Retained losses |                           |               | Total     |
| Balance at 1 April 2022                                       | 322                                          | 29,500        | -                           | -                       | (26,698)            | (208,056)       | (204,932)                 | (10)          | (204,942) |
| Shares issued                                                 | 23                                           | 2,310         | -                           | -                       | -                   | -               | 2,333                     | -             | 2,333     |
| Purchase of own shares                                        | 188                                          | -             | -                           | (400)                   | -                   | -               | (212)                     | -             | (212)     |
| Share based payments                                          | -                                            | -             | 4,804                       | -                       | -                   | -               | 4,804                     | -             | 4,804     |
| Comprehensive loss                                            |                                              |               |                             |                         |                     |                 |                           |               |           |
| Loss for the financial year                                   | -                                            | -             | -                           | -                       | -                   | (292,341)       | (292,341)                 | 3             | (292,338) |
| Foreign currency translation differences                      | -                                            | -             | -                           | -                       | (93,332)            | -               | (93,332)                  | -             | (93,332)  |
| Deferred tax on retranslation of intangible assets and leases | -                                            | -             | -                           | -                       | 9,715               | -               | 9,715                     | -             | 9,715     |
| Total comprehensive loss                                      | -                                            | -             | -                           | -                       | (83,617)            | (292,341)       | (375,958)                 | 3             | (375,955) |
| Balance at 31 March 2023                                      | 533                                          | 31,810        | 4,804                       | (400)                   | (110,315)           | (500,397)       | (573,965)                 | (7)           | (573,972) |
| Shares issued                                                 | 45                                           | 4,403         | -                           | -                       | -                   | -               | 4,448                     | -             | 4,448     |
| Purchase of own shares                                        | 136                                          | -             | -                           | (980)                   | -                   | -               | (844)                     | -             | (844)     |
| Share based payments                                          | -                                            | -             | 8,429                       | -                       | -                   | -               | 8,429                     | -             | 8,429     |
| Comprehensive loss                                            |                                              |               |                             |                         |                     |                 |                           |               |           |
| Loss for the financial year                                   | -                                            | -             | -                           | -                       | -                   | (302,096)       | (302,096)                 | 7             | (302,089) |
| Foreign currency translation differences                      | -                                            | -             | -                           | -                       | (10,928)            | -               | (10,928)                  | -             | (10,928)  |
| Deferred tax on retranslation of intangible assets and leases | -                                            | -             | -                           | -                       | 1,276               | -               | 1,276                     | -             | 1,276     |
| Total comprehensive loss                                      | -                                            | -             | -                           | -                       | (9,652)             | (302,096)       | (311,748)                 | 7             | (311,741) |
| Balance at 31 March 2024                                      | 714                                          | 36,213        | 13,233                      | (1,380)                 | (119,967)           | (802,493)       | (873,680)                 | -             | (873,680) |

# Consolidated statement of cash flows

For the year ended 31 March 2024

In \$000

|                                                                         | Notes    | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                             |          |                             |                             |
| Loss before income tax                                                  |          | (290,938)                   | (288,563)                   |
| <i>Adjustments for:</i>                                                 |          |                             |                             |
| - Depreciation of property, plant and equipment and right of-use assets | 7        | 28,083                      | 27,247                      |
| - Amortisation and impairment of intangible assets                      | 7        | 187,080                     | 188,903                     |
| - Net transaction costs                                                 | 7        | (19,776)                    | 11,978                      |
| - Net financial expenses                                                | 8        | 268,620                     | 237,600                     |
| - Share based payment expense                                           |          | 8,759                       | 4,804                       |
| - Loss on disposal of property, plant and equipment and software        |          | 132                         | 264                         |
| <i>Changes in working capital:</i>                                      |          |                             |                             |
| - Decrease / (increase) in trade and other receivables                  |          | 8,568                       | (53,830)                    |
| - (Decrease) / increase in trade and other payables                     |          | (17,548)                    | 5,969                       |
| <b>Cash generated from operating activities (pre-income taxes)</b>      |          | <b>172,980</b>              | <b>134,372</b>              |
| Income taxes paid                                                       |          | (45,448)                    | (33,971)                    |
| <b>Net cash inflow from operating activities (post-income taxes)</b>    |          | <b>127,532</b>              | <b>100,401</b>              |
| <b>Cash flows from investing activities</b>                             |          |                             |                             |
| Acquisition of subsidiary undertakings, net of cash acquired            | 14       | (12,738)                    | (117,095)                   |
| Payment of transaction costs                                            | 14(i)    | (2,918)                     | (17,388)                    |
| Other investing activities                                              |          | (165)                       | (542)                       |
| Purchase of property, plant and equipment                               |          | (12,289)                    | (10,180)                    |
| Proceeds from sale of property, plant and equipment                     |          | 102                         | 117                         |
| Purchase and development of intangible assets                           |          | (11,977)                    | (11,939)                    |
| <b>Net cash outflow from investing activities</b>                       |          | <b>(39,985)</b>             | <b>(157,027)</b>            |
| <b>Cash flows from financing activities</b>                             |          |                             |                             |
| Proceeds from issuance of ordinary shares                               | 21       | 4,127                       | 2,334                       |
| Proceeds from issuance of preference shares                             | 18(d)(e) | 10,286                      | 4,271                       |
| Receipts for preference shares not yet issued                           |          | 661                         | 597                         |
| Purchase of shares from departing shareholders                          | 18(d)    | (13,009)                    | (68)                        |
| Settlement of promissory notes                                          |          | (2,057)                     | -                           |
| Proceeds from bank loans                                                |          | -                           | 361,042                     |
| Repayment of bank loans                                                 |          | (5,350)                     | (226,350)                   |
| Debt issue costs                                                        |          | (1,717)                     | (12,798)                    |
| Interest payments on bank loans held at amortised cost <sup>(1)</sup>   |          | (88,841)                    | (54,424)                    |
| Proceeds from interest rate hedges <sup>(1)</sup>                       |          | 14,051                      | 3,025                       |
| Other net bank interest and charges <sup>(1)</sup>                      |          | 3,316                       | (4,161)                     |
| Interest rate cap premium                                               |          | -                           | (4,474)                     |
| Repayment of lease liabilities                                          |          | (18,568)                    | (20,385)                    |
| Lease interest paid                                                     |          | (2,798)                     | (2,436)                     |
| Net sublease income                                                     |          | 398                         | 332                         |
| <b>Net cash (outflow) / inflow from financing activities</b>            |          | <b>(99,501)</b>             | <b>46,505</b>               |
| <b>Net decrease in cash and cash equivalents</b>                        |          | <b>(11,954)</b>             | <b>(10,121)</b>             |
| Cash and cash equivalents at the beginning of year                      |          | 206,722                     | 226,366                     |
| Effect of exchange rate fluctuations on cash held                       |          | (1,895)                     | (9,523)                     |
| <b>Cash and cash equivalents at end of year</b>                         | 19       | <b>192,873</b>              | <b>206,722</b>              |

(1) Cash flows from financing activities for the year ended 31 March 2023 has been updated to separately disclose interest payments on bank loans held at amortised cost, proceeds from interest rate hedges and other net bank interest and charges, in line with the current year presentation.

## Company statement of financial position

As at 31 March 2024

In \$000

|                                       | Notes | 31 March 2024      | 31 March 2023      |
|---------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                         |       |                    |                    |
| <b>Non-current assets</b>             |       |                    |                    |
| Investment in subsidiary undertakings | 12    | 2,023,363          | 2,014,934          |
| Total non-current assets              |       | 2,023,363          | 2,014,934          |
| <b>Current assets</b>                 |       |                    |                    |
| Trade and other receivables           | 16    | 303                | 879                |
| Current tax assets                    |       | 1,233              | 1,674              |
| Cash and cash equivalents             |       | 454                | 1,067              |
| Total current assets                  |       | 1,990              | 3,620              |
| <b>Total assets</b>                   |       | <b>2,025,353</b>   | <b>2,018,554</b>   |
| <b>Liabilities</b>                    |       |                    |                    |
| <b>Current liabilities</b>            |       |                    |                    |
| Trade and other payables              | 17    | (26,778)           | (18,398)           |
| Borrowings                            | 18    | (3,825)            | (2,057)            |
| Total current liabilities             |       | (30,603)           | (20,455)           |
| <b>Non-current liabilities</b>        |       |                    |                    |
| Borrowings                            | 18    | (2,405,051)        | (2,222,819)        |
| Total non-current liabilities         |       | (2,405,051)        | (2,222,819)        |
| <b>Total liabilities</b>              |       | <b>(2,435,654)</b> | <b>(2,243,274)</b> |
| <b>Net liabilities</b>                |       | <b>(410,301)</b>   | <b>(224,720)</b>   |
| <b>Shareholders' deficit</b>          |       |                    |                    |
| Share capital                         | 21    | 714                | 533                |
| Share premium                         |       | 36,213             | 31,810             |
| Share based payment reserve           |       | 13,233             | 4,804              |
| Own shares held reserve               |       | (1,380)            | (400)              |
| Retained losses                       |       | (459,081)          | (261,467)          |
| <b>Total deficit</b>                  |       | <b>(410,301)</b>   | <b>(224,720)</b>   |

The loss for the financial year in the financial statements of the parent company was \$197,614,000 (2023: \$176,652,000).

Approved and authorised for issue by the Board on 1 July 2024 and signed on their behalf by:



Thomas Reichert  
Chief Executive Officer

Registered No. 13391605

## Company statement of changes in equity

For the year ended 31 March 2024

In \$000

|                                 | Attributable to equity holders of the Company |               |                             |                         |                  |                  |
|---------------------------------|-----------------------------------------------|---------------|-----------------------------|-------------------------|------------------|------------------|
|                                 | Share capital                                 | Share premium | Share based payment reserve | Own shares held reserve | Retained losses  | Total deficit    |
| <b>Balance at 31 March 2022</b> | <b>322</b>                                    | <b>29,500</b> | <b>-</b>                    | <b>-</b>                | <b>(84,815)</b>  | <b>(54,993)</b>  |
| Shares issued                   | 23                                            | 2,310         | -                           | -                       | -                | 2,333            |
| Purchase of own shares          | 188                                           | -             | -                           | (400)                   | -                | (212)            |
| Share based payments            | -                                             | -             | 4,804                       | -                       | -                | 4,804            |
| <i>Comprehensive loss</i>       |                                               |               |                             |                         |                  |                  |
| Loss for the financial year     | -                                             | -             | -                           | -                       | (176,652)        | (176,652)        |
| Total comprehensive loss        | -                                             | -             | -                           | -                       | (176,652)        | (176,652)        |
| <b>Balance at 31 March 2023</b> | <b>533</b>                                    | <b>31,810</b> | <b>4,804</b>                | <b>(400)</b>            | <b>(261,467)</b> | <b>(224,720)</b> |
| Shares issued                   | 45                                            | 4,403         | -                           | -                       | -                | 4,448            |
| Purchase of own shares          | 136                                           | -             | -                           | (980)                   | -                | (844)            |
| Share based payments            | -                                             | -             | 8,429                       | -                       | -                | 8,429            |
| <i>Comprehensive loss</i>       |                                               |               |                             |                         |                  |                  |
| Loss for the financial year     | -                                             | -             | -                           | -                       | (197,614)        | (197,614)        |
| Total comprehensive loss        | -                                             | -             | -                           | -                       | (197,614)        | (197,614)        |
| <b>Balance at 31 March 2024</b> | <b>714</b>                                    | <b>36,213</b> | <b>13,233</b>               | <b>(1,380)</b>          | <b>(459,081)</b> | <b>(410,301)</b> |

## Notes to the financial statements

### 1. General information

The ERM International Group Limited (“the Company”) is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company’s registered office is 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA and the registered number is 13391605. The principal activities of the Group are the provision of sustainability & climate change, safety and digital services to clients. The principal activity of the Company is to act as an intermediate group holding company.

The consolidated financial statements as at, and for the year ended 31 March 2024 and as at, and for the year ended 31 March 2023, consolidate those of the Company and its subsidiaries. The parent company financial statements present information about the Company as a separate entity.

### 2. Material accounting policy information

#### 2.1 Statement of compliance

The Group financial statements were prepared in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board IASB.

The financial statements of the Company were prepared in accordance with UK Accounting Standards including Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”) and under historical cost accounting rules.

The financial statements of the Group and the Company are prepared in US dollars as the majority of the Group’s and the Company’s transactions are denominated in this currency. All values are rounded to the nearest thousand (\$’000) except where otherwise stated.

#### 2.2 Basis of accounting

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounts have been prepared under the historical cost convention, as modified by the valuation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with Adopted IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Judgements that have a significant effect on the financial statements are discussed in note 4.

#### Going concern

The financial statements of the Group have been prepared on a going concern basis. The Group’s principal risks and uncertainties are described in the Strategic report on pages 21 to 22. The Group has net liabilities of \$874 million (2023: \$574 million) and The ERM International Group Limited (the “Company”) has net liabilities of \$410 million (2023: \$225 million). Details of the Group’s liquidity position and borrowing facilities are described in note 18. Financial risk management objectives, details of financial instruments and hedging activities, and exposures to credit risk and liquidity risk are described in note 26.

The Group reported an operating profit before amortisation and impairment of intangible assets and net transaction costs of \$145 million for the year ended 31 March 2024 (2023: \$150 million), net cash inflows from operating activities (pre-income taxes) of \$173 million (2023: \$134 million) and a net decrease of cash and cash equivalents of \$12 million (2023: net decrease of \$10 million).

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Going concern (continued)

At 31 March 2024, the Group held cash and cash equivalents of \$193 million (including \$138 million deposited with ReachCentrum SA and \$21 million held on behalf of government bodies: see note 19) (2023: cash and cash equivalents of \$207 million, including \$142 million deposited with ReachCentrum SA and \$18 million held on behalf of government bodies).

A significant element of the indebtedness is preference shares (including accrued dividends) due to shareholders of \$2,398 million (2023: \$2,220 million), which is free from financial covenants. With the exception of payments to departing shareholders, dividends on the preference shares are typically not paid in cash but instead are accrued and compounded each calendar quarter. The preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier.

Despite the net liabilities position in the Company and Group's statement of financial position, the Group has adequate cash resources to meet its day-to-day working capital requirements. In undertaking their assessment of going concern for the Company and the Group, the Directors have prepared the Group's cash flow forecasts and projections and carried out a review of the Group's business and its future prospects. In particular, the Directors have assessed the forecasted future performance and anticipated cash flows, taking into account reasonably possible changes in trading performance, available debt facilities and associated covenants. The cash flow forecasts reflect the strong cash generating ability of the business.

The Directors have also modelled a stress test scenario to consider the wider operational consequences and ramifications of an unexpected risk event. The Group is highly diversified in terms of geographies, sectors and services. The stress testing analysis demonstrates the Group's financial and business resilience, and operational flexibility during prolonged periods of economic weakness. Following the assessment of the Group's financial position, operational resilience, and ability to meet its obligations as and when they fall due, the Directors have a reasonable expectation that the Group will be able to continue to operate for at least the next 12 months. Therefore, the financial statements have been prepared on a going concern basis.

#### Fair value measurement

The Group measures financial instruments such as derivatives and non-financial assets at fair value. The Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases.

All assets and liabilities for which fair value are measured or disclosed are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines each year whether transfers have occurred between levels of the hierarchy.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Basis of consolidation**

The Group financial statements consolidate the financial statements of The ERM International Group Limited and its subsidiary undertakings, drawn up for the year ended 31 March 2024.

#### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Intra-group transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

#### **Disclosure exemptions**

The Company has taken advantage of the following exemptions under FRS 101:

- certain disclosures required by IFRS 13 Fair Value Measurement;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 10(d) and 10(f) of IAS 1 Presentation of Financial Statements; and
- the requirements in IAS 24 Related Party Disclosures from disclosing related party transactions with wholly owned subsidiaries within the Group.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006.

#### **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition related costs, which do not reflect the operational performance of the business and are only incurred when acquisitions arise, are reported within net transaction costs in the income statement.

The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement, where such treatment would be appropriate if that interest were disposed of.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Business combinations (continued)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

#### **Contingent consideration**

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date). These relate to facts and circumstances that existed at the acquisition date. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the income statement within net transaction costs.

#### **Acquisitions and disposals of non-controlling interests**

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

#### **Net transaction costs**

Net transaction costs consist of costs related to acquisitions (including gains or losses arising from remeasurement of contingent consideration), refinancing and other transaction related activities. These costs do not reflect the operational performance of the business. Net transaction costs are recognised in the income statement.

#### **Government assistance**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants relating to salary support schemes are recognised as accrued expenses in the consolidated statement of financial position and transferred to the income statement on a systematic basis over the periods in which the Group recognises as expenses the related staff costs for which the grants are intended to compensate.

Grants relating to government funded research projects are recognised in other income.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Foreign currencies**

##### ***Functional and presentational currencies***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

##### ***Transactions in foreign currencies***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

##### ***Translation of the results of overseas businesses***

The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates ruling at the reporting date. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

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. Exchange differences arising are recognised in other comprehensive income.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Revenue recognition**

The Group follows the principles of IFRS 15 in determining appropriate revenue recognition policies. Revenue represents amounts chargeable for services provided to third parties in the ordinary course of business.

Revenue from services is recognised following the principles outlined in IFRS 15's five step model as detailed below:

- Identifying the contract. Upon acceptance of a proposal, a contract is entered into, which includes details of the scope of work and each party's rights and obligations regarding transfer of the service;
- Identifying the performance obligations in the contract. In assessing performance obligations, consideration is given to whether each identified key deliverable is a separate performance obligation, or a series of services that are substantially the same, have the same pattern of transfer to the customer and form one overall performance obligation;
- Determining the transaction price. The transaction price is developed during the proposal process by establishing the scope of work and the staffing levels required. Upon acceptance, the total fee value is stated in the contract together with an invoicing schedule;
- Allocating the transaction price to separate performance obligations. Contracts typically include only one performance obligation, so no allocation is required. Where more than one performance obligation exists, the contracts include separately agreed fees for each performance obligation;
- Recognising revenue as performance obligations are satisfied. Where only one performance obligation exists, revenue is recognised over time as the work is performed. Where there is more than one performance obligation, revenue is recognised as each performance obligation is met.

#### **Gross revenue**

Gross revenue represents amounts recoverable from clients in respect of the Group's continuing activities. Gross revenue includes costs incurred on behalf of clients and excludes sales taxes.

The Group enters into 'time and expense' and 'fixed fee' contracts. For time and expense contracts, gross revenue and profit recognised is based on hours and expenses incurred to date. For fixed fee contracts where the outcome can be reasonably foreseen, gross revenue and profit is recognised on a percentage completion basis by comparing costs incurred to date to the total costs to completion. Contract expenses include direct staff costs, sub-contractor costs and disbursements. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Attributable profit is recognised for that part of the work performed on each contract at the accounting date when the outcome can be assessed with reasonable certainty.

Digital subscriptions revenue is recognised evenly over the time period for which the subscription services are provided as the customer simultaneously receives and consumes the economic benefit of the service being provided.

#### **Net revenue**

Net revenue is gross revenue after deduction of external project costs, which are made up principally of sub-contractors' fees.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### ***Contract losses***

Contracts are reviewed regularly and full provision is made for any anticipated total loss on contracts in the period in which they are first identified.

#### ***Amounts recoverable on contracts and bills in advance***

The amount by which revenue exceeds invoiced amounts is disclosed as 'amounts recoverable on contracts' within debtors on the statement of financial position. Advance payments are included as 'bills in advance' within creditors to the extent that they exceed the related work done.

#### ***Claims recognition***

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. When it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals.

#### **Leases**

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

Right-of-use assets are measured at cost, which is the initial measurement of the lease liabilities, adjusted for any payments made or lease incentives received at or before the commencement date, plus any direct costs incurred, and an estimate of any restoration costs.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in the income statement.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset, or the lease term. The Group also assesses the right-of-use assets for impairment where such indicators exist.

The right-of-use-assets are presented as a separate line in the consolidated statement of financial position.

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease (if that rate is readily available), or the Group's incremental borrowing rate. The lease term is a non-cancellable period of the lease; periods covered by options to extend the lease are only included in the lease term if it is reasonably certain that the lease will be extended.

Subsequent to initial measurement by the effective interest method, the liabilities are reduced for payments made, and increased for interest charged. If required, lease liabilities are remeasured to account for modifications, with corresponding adjustments reflected in the right-of-use assets.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The Group sub-leases some of its leased properties and accounts for its interests in the head lease and sub-lease separately. Lease payments received are recognised as income on a straight-line basis over the lease term.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition and installation of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain and loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

|                                             |                     |
|---------------------------------------------|---------------------|
| Leasehold improvements                      | Over the lease term |
| Furniture and fittings, plant and machinery | 3 to 5 years        |
| Motor vehicles                              | 4 years             |
| Computer equipment                          | 3 to 5 years        |

Depreciation methods, useful lives and residual values are reviewed at each reporting date or if events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Intangible assets

##### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses, if any.

Goodwill is not subject to amortisation but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the units on a pro rata basis. An impairment loss in respect of goodwill is not reversed in the subsequent period.

##### **Other intangible assets**

Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

##### **Brand**

Brand names and related trademarks acquired through a business combination are measured initially at fair value and are amortised on a straight-line basis over their estimated useful lives. The ERM brand and related logos, trademarks and domain names acquired have been valued taking into account the royalty relief approach. The royalty relief is an 'economic use' approach to valuation which determines the value of the brand in relation to the royalty rate that would be payable for its use were it owned by a third party.

##### **Customer relationships and customer order books**

Contractual customer relationships and customer order books acquired in a business combination are recognised at fair value at the acquisition date. They are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost over the period in which their respective benefits are expected to accrue. The useful economic life of these assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

##### **Software and other development costs**

Software assets acquired as part of a business combination are capitalised at fair value at the date of acquisition and are amortised on a straight-line basis over their estimated useful lives.

Externally purchased software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software development costs relating to software assets the Group controls and which are revenue generating are capitalised and amortised over three to five years.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and will be amortised from the date the asset is available for use over the period during which the Group is expected to benefit.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### *Software and other development costs (continued)*

Directly attributable costs that are capitalised include directly attributable employee costs and an appropriate portion of relevant overheads. Provision is made for any impairment.

#### *Software-as-a-Service (SaaS) arrangements*

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Third party costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### **Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

|                        |                |
|------------------------|----------------|
| Brand                  | up to 20 years |
| Customer order books   | within 2 years |
| Customer relationships | 5 to 20 years  |
| Software assets        | 3 to 5 years   |

#### **Impairment of tangible and other intangible assets (excluding goodwill)**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### ***Financial assets***

The Group classifies its financial assets in the following measurement categories:

- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows and management will determine the classification on initial recognition.

#### ***i. Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. As per IAS 7.7 cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

#### ***ii. Trade and other receivables***

Trade and other receivables are not interest-bearing and are due on commercial terms. They are recognised initially at their transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### ***Impairment of financial assets***

In accordance with IFRS 9 "Financial Instruments", the Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables and contract assets, and has adopted the 'simplified approach' permitted by the standard. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises lifetime ECL for trade receivables and amounts recoverable on contracts. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as general economic conditions. This also includes an assessment of the current and forecast direction of conditions at the reporting date, including where appropriate, the time value of money.

The Group recognises an impairment gain or loss in profit or loss for financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### ***Financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements. An equity instrument is any contract that gives a residual interest in the assets of the Group, after deducting all its liabilities.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method except for derivatives that are measured at fair value with gains or losses recognised in profit or loss. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

All loans and borrowings are initially recognised at fair value net of issue costs. Borrowings are subsequently stated at amortised cost. Any difference between proceeds (net of issue costs) and redemption value is recognised in the consolidated income statement, within financial expenses, over the period to redemption using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as issue costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables, accruals and other payables are included in current liabilities, except for those with maturities greater than 12 months after the reporting date.

#### ***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Employee benefits**

The Group operates various post-employment schemes, including a defined contribution pension plan and other staff benefits.

#### **Defined contribution pension plan**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current or prior periods. The contributions are recognised as employee benefit expenses in the consolidated income statement in the periods during which services are rendered by employees.

#### **Short-term benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, cash bonus or profit-sharing if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably in the period the related service is rendered.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### **Share-based payments**

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

#### **Financial income and expenses**

Financial expenses comprise interest payable on bank loans and overdrafts, interest payable on shareholder debt, amortisation of debt issue costs and fair value movement losses on financial assets and liabilities that are recognised in the income statement. Financial income comprises interest receivable on funds invested and fair value movement gains on financial assets and liabilities recognised in the income statement. Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method.

Foreign currency gains and losses on revaluation of intercompany loans and bank loans are reported on a net basis.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement and consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Current and deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

The Organisation for Economic Co-operation and Development (“OECD”)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules, designed to address the tax challenges arising from the digitalisation of the global economy. In response to this, on 23 May 2023, the IASB IAS 12 ‘Income taxes’ introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. The Group has applied the temporary exception at 31 March 2024.

#### Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

#### ***Own shares held by Employee Benefit Trust (EBT)***

Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the Group and Company financial statements. The EBT’s purchases of ordinary shares in the Company are recognised as a deduction from equity. The EBT’s purchases of preference shares in the Company are debited directly to the Group’s preference shares.

## Notes to the financial statements

### 3. Adoption of new and revised Standards

For the first time in the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments to IAS 1 replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to IAS 12 introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 12 Income Taxes— International Tax Reform — Pillar Two Model Rules

The IASB has amended the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

Following the amendments, the group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments to IAS 8 replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

|                                  |                                                                                              |
|----------------------------------|----------------------------------------------------------------------------------------------|
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> |
| Amendments to IAS 1              | <i>Classification of Liabilities as Current or Non-current</i>                               |
| Amendments to IAS 1              | <i>Non-current Liabilities with Covenants</i>                                                |
| Amendments to IAS 7 and IFRS 7   | <i>Supplier Finance Arrangements</i>                                                         |
| Amendments to IFRS 16            | <i>Lease Liability in a Sale and Leaseback</i>                                               |

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

## Notes to the financial statements

### 4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's material accounting policy information, which is described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical accounting judgements applied during the reporting period.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### ***Goodwill impairment***

During the year ended 31 March 2024 the Group recognised goodwill impairments of \$101,983,000 (\$45,533,000 Europe, Middle East & Africa CGU; \$22,780,000 Asia Pacific CGU; and \$33,670,000 Latin American & Caribbean CGU), as those segment of CGUs carrying values exceeded the recoverable amount. For the North America CGU, the fair value less cost to sell is greater than the carrying amount of the assets.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated.

A range of reasonably possible discount rates was considered; a 0.25% increase in the discount rate applied to each CGU would result in an additional impairment charge of \$32 million, whereas a 0.25% decrease in the discount rate applied to each CGU would reduce the impairment charge recognised by \$38 million.

Revenue growth rates in the initial three year period are based on management's best estimate of the growth expected in each CGU. Were the lower of management's growth assumptions or actual 5 year average revenue growth rates achieved by each CGU used instead, an additional impairment charge of \$37m would be recognised.

See note 13 for further details.

## Notes to the financial statements

### 5. Revenue

The Group is exempt from detailed IFRS 8 reporting requirements as neither its debt nor equity instruments are traded in a public market, nor does it have the requirement to file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

An analysis of gross and net revenue by geographic origin is provided as follows:

|                                | Gross revenue by<br>origin<br>Year ended<br>31 March 2024<br>\$000 | Net revenue by<br>origin<br>Year ended<br>31 March 2024<br>\$000 | Gross revenue<br>by origin<br>Year ended<br>31 March 2023<br>\$000 | Net revenue by<br>origin<br>Year ended<br>31 March 2023<br>\$000 |
|--------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|
| Europe, Middle East and Africa | 336,776                                                            | 288,242                                                          | 327,885                                                            | 273,291                                                          |
| Asia Pacific                   | 194,369                                                            | 156,748                                                          | 172,148                                                            | 132,753                                                          |
| Latin America and Caribbean    | 86,412                                                             | 61,098                                                           | 69,543                                                             | 46,258                                                           |
| North America                  | 706,472                                                            | 559,337                                                          | 673,773                                                            | 508,185                                                          |
| Other Businesses               | 55,559                                                             | 50,136                                                           | 77,706                                                             | 68,658                                                           |
| <b>Total</b>                   | <b>1,379,588</b>                                                   | <b>1,115,561</b>                                                 | <b>1,321,055</b>                                                   | <b>1,029,145</b>                                                 |

The Group's revenue is principally derived from the provision of services, and all revenues recognised arose from contracts with customers. The analysis by geographic origin shown above is consistent with the management and reporting structure of the Group.

## Notes to the financial statements

### 6. Staff costs, staff numbers and Directors' remuneration

#### Staff costs

Staff costs of the Group (including Directors' remuneration) were as follows:

|                                             | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Wages and salaries <sup>(1)</sup>           | 681,188                              | 626,136                              |
| Social security costs                       | 66,690                               | 58,736                               |
| Contributions to defined contribution plans | 24,469                               | 21,525                               |
| Other staff costs                           | 77,818                               | 63,840                               |
| Staff costs before Government grants        | 850,165                              | 770,237                              |
| Government grants <sup>(2)</sup>            | (110)                                | (600)                                |
| <b>Total staff costs</b>                    | <b>850,055</b>                       | <b>769,637</b>                       |

(1) Wages and salaries include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year).

(2) The Government grants received were to contribute towards the cost of employee wages and salaries.

#### Staff numbers

The average number of full time employees (including executive Directors) in the Group during the year was made up as follows:

|                | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|----------------|-----------------------------|-----------------------------|
| Partners       | 702                         | 610                         |
| Consultants    | 5,521                       | 5,266                       |
| Administration | 1,240                       | 1,126                       |
| <b>Total</b>   | <b>7,463</b>                | <b>7,002</b>                |

The Company had no employees during the year ended 31 March 2024 (year ended 31 March 2023: none).

## Notes to the financial statements

### 6. Staff costs, staff numbers and Directors' remuneration (continued)

#### *Directors' remuneration*

The emoluments of the executive Directors of the Company for the year ended 31 March 2024 were paid by other Group companies and are as follows:

|                                                                                        | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Emoluments                                                                             | 6,530                                | 7,785                                |
| Compensation for loss of office                                                        | -                                    | 558                                  |
| Contributions paid to defined contribution pension schemes (no. of members 2, FY23: 2) | 10                                   | 10                                   |

Emoluments include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year). Emoluments are paid in local currency in the country of residence.

The amounts in respect of the highest paid executive Director are as follows:

|            | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|------------|--------------------------------------|--------------------------------------|
| Emoluments | 3,800                                | 3,438                                |

No emoluments were paid to non-executive Directors during the year ended 31 March 2024 (year ended 31 March 2023: none).

### 7. Other operating expenses by nature, including net transaction costs

Operating expenses include:

|                                                                         | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|-------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment                           | 9,568                                | 7,298                                |
| Depreciation of right of-use assets                                     | 18,515                               | 19,949                               |
| Amortisation of intangible assets                                       | 85,097                               | 92,442                               |
| Impairment of goodwill                                                  | 101,983                              | 96,461                               |
| Net transaction costs – other acquisitions (note 14(b))                 | (19,776)                             | 4,246                                |
| Net transaction costs – KKR Transaction (note 14(i))                    | -                                    | 7,732                                |
| Foreign exchange gains on non-financing activities                      | (1,464)                              | (1,212)                              |
| Auditor's remuneration:                                                 |                                      |                                      |
| - audit of the Group financial statements                               | 810                                  | 881                                  |
| - audit of financial statements of subsidiaries pursuant to legislation | 2,655                                | 2,591                                |
| - tax compliance and tax advisory services                              | 75                                   | 415                                  |
| - other advisory services                                               | 60                                   | 124                                  |

## Notes to the financial statements

### 8. Financial income and expenses

|                                                                             | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Income from interest rate hedges <sup>(1)</sup>                             | 14,051                               | 3,025                                |
| Fair value movement of interest rate hedges <sup>(2)</sup>                  | -                                    | 11,309                               |
| Fair value gain on modification of bank loans (see note 18(b))              | 8,895                                | -                                    |
| Foreign exchange gain on revaluation of bank loans                          | 2,482                                | -                                    |
| Bank interest income                                                        | 5,287                                | 208                                  |
| Other financial income                                                      | 588                                  | -                                    |
| <b>Total financial income</b>                                               | <b>31,303</b>                        | <b>14,542</b>                        |
| Dividends accrued on preference shares (see note 18(d) & 18(e))             | (183,422)                            | (169,109)                            |
| Interest expense on bank loans held at amortised cost <sup>(1)</sup>        | (93,221)                             | (64,199)                             |
| Other bank interest and charges <sup>(1)</sup>                              | (1,824)                              | (3,791)                              |
| Lease interest                                                              | (2,798)                              | (2,436)                              |
| Other financial expenses <sup>(3)</sup>                                     | (11)                                 | (629)                                |
| Interest accrued on promissory notes                                        | (168)                                | (95)                                 |
| Fair value movement of interest rate hedges                                 | (12,243)                             | -                                    |
| Interest expense on other liabilities held at amortised cost <sup>(3)</sup> | (3,295)                              | (412)                                |
| Foreign exchange loss on revaluation of intercompany loans                  | (2,941)                              | (1,867)                              |
| Foreign exchange loss on revaluation of bank loans                          | -                                    | (9,604)                              |
| <b>Total financial expenses</b>                                             | <b>(299,923)</b>                     | <b>(252,142)</b>                     |
| <b>Net financial expenses</b>                                               | <b>(268,620)</b>                     | <b>(237,600)</b>                     |

In order to aid comparability, the presentation of financial income and expenses for the year ended 31 March 2023 has been updated in line with the current year presentation as follows:

- (1) Separate disclosure of interest expense on bank loans held at amortised cost; income from interest rate hedges; and other bank interest and charges – previously disclosed as interest and charges on bank loans
- (2) Fair value movement of interest rate hedges updated to include amount previously disclosed as amortisation of interest rate hedge premium
- (3) Separate disclosure of other liabilities held at amortised cost – previously disclosed within other financial expenses

## Notes to the financial statements

### 9. Income tax expense

#### (a) Analysis of tax charge

The Group operates across many different tax jurisdictions. Income and profits are earned and taxed in the individual countries in which they occur.

Differences between the UK statutory tax rate and the effective tax rate for the Group include, but are not limited to, the mix of profits, the effect of tax rates in overseas jurisdictions, non-deductible expenses, the effect of utilised tax losses, and under/over provisions in previous periods.

|                                                  | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current tax:</b>                              |                                      |                                      |
| Current year                                     | 34,717                               | 33,165                               |
| Prior year                                       | (711)                                | 936                                  |
| Total current tax charge                         | 34,006                               | 34,101                               |
| <b>Deferred tax:</b>                             |                                      |                                      |
| Current year                                     | (21,567)                             | (28,066)                             |
| Prior year                                       | (1,288)                              | (2,260)                              |
| Total deferred tax credit (note 15)              | (22,855)                             | (30,326)                             |
| <b>Total tax charge for the year (note 9(b))</b> | <b>11,151</b>                        | <b>3,775</b>                         |

#### (b) Reconciliation of tax charge

The tax charge is reconciled to the loss in the consolidated income statement as follows:

|                                                                | Year ended<br>31 March 2024<br>\$000 | Year ended<br>31 March 2023<br>\$000 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Loss before income tax</b>                                  | <b>(290,938)</b>                     | <b>(288,563)</b>                     |
| Loss before income tax at UK statutory rate of 25% (2023: 19%) | (72,735)                             | (54,827)                             |
| <i>Effects of:</i>                                             |                                      |                                      |
| Impairment of goodwill                                         | 25,496                               | 18,328                               |
| Higher statutory tax rates on overseas earnings                | 599                                  | 9,588                                |
| Disallowed dividends accrued on preference shares              | 45,855                               | 32,131                               |
| Corporate interest restriction in the UK                       | 4,127                                | 3,150                                |
| Non-deductible expenses                                        | 1,207                                | 1,740                                |
| Impact of different tax rates on intangibles                   | (608)                                | (5,920)                              |
| Share based payment expense                                    | 2,628                                | -                                    |
| Impact of leases                                               | -                                    | (70)                                 |
| Movement in unrecognised deferred tax                          | 5,646                                | (5,467)                              |
| Tax losses utilised                                            | 935                                  | 6,446                                |
| Prior year items                                               | (1,999)                              | (1,324)                              |
| <b>Total tax charge for the year (note 9(a))</b>               | <b>11,151</b>                        | <b>3,775</b>                         |

## Notes to the financial statements

### 9. Income tax expense (continued)

#### (c) International Tax Reform – Pillar Two Model Rules

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions the Group operates in, including in the UK where the Group's ultimate parent company, Nature Topco UK Limited, is located. The legislation will be effective for the Group's financial year beginning 1 April 2024. Under the legislation, the Group's ultimate parent company will be required to pay in the UK, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, it is expected that in all jurisdictions in which the Group operates, the Pillar Two effective tax rate will be above 15% or other transitional safe harbour relief will apply for the relevant periods. As such, the Group does not expect a material exposure to Pillar Two income taxes. The Group is continuing to monitor the impact of Pillar Two income taxes on its future financial performance.

### 10. Property, plant and equipment

| Group                                  | Leasehold<br>Property<br>\$000 | Furniture,<br>fittings, plant<br>and machinery<br>\$000 | Motor<br>vehicles<br>\$000 | Computer<br>equipment<br>\$000 | Total<br>\$000 |
|----------------------------------------|--------------------------------|---------------------------------------------------------|----------------------------|--------------------------------|----------------|
| <b>Cost:</b>                           |                                |                                                         |                            |                                |                |
| At 1 April 2022                        | 4,595                          | 4,501                                                   | 358                        | 8,502                          | 17,956         |
| Acquired                               | 202                            | 119                                                     | -                          | 224                            | 545            |
| Additions                              | 1,198                          | 1,379                                                   | 243                        | 7,360                          | 10,180         |
| Disposals                              | (31)                           | (181)                                                   | (30)                       | (139)                          | (381)          |
| Reclassifications <sup>(1)</sup>       | -                              | -                                                       | -                          | 2,574                          | 2,574          |
| Exchange differences                   | (695)                          | (740)                                                   | (46)                       | (1,355)                        | (2,836)        |
| <b>At 31 March 2023</b>                | <b>5,269</b>                   | <b>5,078</b>                                            | <b>525</b>                 | <b>17,166</b>                  | <b>28,038</b>  |
| Acquired (note 14)                     | 74                             | 7                                                       | -                          | 4                              | 85             |
| Additions                              | 5,856                          | 1,458                                                   | 320                        | 4,655                          | 12,289         |
| Disposals                              | (59)                           | (107)                                                   | -                          | (79)                           | (245)          |
| Reclassifications <sup>(1)</sup>       | -                              | 630                                                     | -                          | (367)                          | 263            |
| Exchange differences                   | (17)                           | 90                                                      | (72)                       | (106)                          | (105)          |
| <b>At 31 March 2024</b>                | <b>11,123</b>                  | <b>7,156</b>                                            | <b>773</b>                 | <b>21,273</b>                  | <b>40,325</b>  |
| <b>Depreciation:</b>                   |                                |                                                         |                            |                                |                |
| At 1 April 2022                        | 750                            | 601                                                     | 49                         | 1,638                          | 3,038          |
| Charge for the year                    | 1,519                          | 1,140                                                   | 169                        | 4,470                          | 7,298          |
| Exchange differences                   | (583)                          | (677)                                                   | (38)                       | (997)                          | (2,295)        |
| <b>At 31 March 2023</b>                | <b>1,686</b>                   | <b>1,064</b>                                            | <b>180</b>                 | <b>5,111</b>                   | <b>8,041</b>   |
| Charge for the year                    | 1,963                          | 2,265                                                   | 179                        | 5,161                          | 9,568          |
| Reclassifications <sup>(1)</sup>       | -                              | 311                                                     | -                          | (71)                           | 240            |
| Exchange differences                   | 80                             | 46                                                      | (17)                       | (19)                           | 90             |
| <b>At 31 March 2024</b>                | <b>3,729</b>                   | <b>3,686</b>                                            | <b>342</b>                 | <b>10,182</b>                  | <b>17,939</b>  |
| <b>Carrying amounts:</b>               |                                |                                                         |                            |                                |                |
| <b>Net book value at 31 March 2023</b> | <b>3,583</b>                   | <b>4,014</b>                                            | <b>345</b>                 | <b>12,055</b>                  | <b>19,997</b>  |
| <b>Net book value at 31 March 2024</b> | <b>7,394</b>                   | <b>3,470</b>                                            | <b>431</b>                 | <b>11,091</b>                  | <b>22,386</b>  |

(1) Reclassifications between asset classes, including reclassification of software to computer equipment (see note 13).

## Notes to the financial statements

### 11. Right-of-use assets

The Group leases a number of leasehold properties, motor vehicles and office equipment.

During the year ended 31 March 2024 the Group recognised income of \$398,000 from subleasing its right-of-use assets (year ended 31 March 2023: \$332,000).

| Group                                  | Leasehold<br>Property | Furniture, fittings,<br>plant and<br>machinery | Motor vehicles | Total         |
|----------------------------------------|-----------------------|------------------------------------------------|----------------|---------------|
|                                        | \$000                 | \$000                                          | \$000          | \$000         |
| <b>Cost:</b>                           |                       |                                                |                |               |
| At 1 April 2022                        | 54,787                | 814                                            | 1,548          | 57,149        |
| Acquired                               | 1,332                 | 13                                             | -              | 1,345         |
| Additions                              | 12,616                | 1,094                                          | 475            | 14,185        |
| Disposals                              | (8,639)               | (696)                                          | (319)          | (9,654)       |
| Exchange differences                   | (1,950)               | (12)                                           | (33)           | (1,995)       |
| <b>At 31 March 2023</b>                | <b>58,146</b>         | <b>1,213</b>                                   | <b>1,671</b>   | <b>61,030</b> |
| Acquired (note 14)                     | 356                   | -                                              | -              | 356           |
| Additions                              | 24,299                | 219                                            | 3,568          | 28,086        |
| Disposals                              | (15,009)              | (123)                                          | (1,180)        | (16,312)      |
| Exchange differences                   | (103)                 | (6)                                            | (21)           | (130)         |
| <b>At 31 March 2024</b>                | <b>67,689</b>         | <b>1,303</b>                                   | <b>4,038</b>   | <b>73,030</b> |
| <b>Depreciation:</b>                   |                       |                                                |                |               |
| At 1 April 2022                        | 8,745                 | 312                                            | 340            | 9,397         |
| Charge for the year                    | 18,521                | 658                                            | 770            | 19,949        |
| Disposals                              | (7,041)               | (538)                                          | (250)          | (7,829)       |
| Exchange differences                   | (207)                 | (2)                                            | 6              | (203)         |
| <b>At 31 March 2023</b>                | <b>20,018</b>         | <b>430</b>                                     | <b>866</b>     | <b>21,314</b> |
| Charge for the year                    | 17,129                | 480                                            | 906            | 18,515        |
| Disposals                              | (12,202)              | (107)                                          | (1,122)        | (13,431)      |
| Exchange differences                   | (68)                  | (3)                                            | (8)            | (79)          |
| <b>At 31 March 2024</b>                | <b>24,877</b>         | <b>800</b>                                     | <b>642</b>     | <b>26,319</b> |
| <b>Carrying amounts:</b>               |                       |                                                |                |               |
| <b>Net book value at 31 March 2023</b> | <b>38,128</b>         | <b>783</b>                                     | <b>805</b>     | <b>39,716</b> |
| <b>Net book value at 31 March 2024</b> | <b>42,812</b>         | <b>503</b>                                     | <b>3,396</b>   | <b>46,711</b> |

## Notes to the financial statements

### 12. Investment in subsidiary undertakings

| Company                             | Investment in subsidiaries<br>\$000 |
|-------------------------------------|-------------------------------------|
| <b>Cost:</b>                        |                                     |
| At 1 April 2022                     | 2,010,130                           |
| <b>Additions</b>                    |                                     |
| Nature Midco Limited <sup>(1)</sup> | 4,804                               |
| <b>At 31 March 2023</b>             | <b>2,014,934</b>                    |
| <b>Additions</b>                    |                                     |
| Nature Midco Limited <sup>(1)</sup> | 8,429                               |
| <b>At 31 March 2024</b>             | <b>2,023,363</b>                    |

See note 27 for details of related undertakings.

(1) Equity-settled share-based payments to employees of subsidiaries (see note 22).

## Notes to the financial statements

### 13. Intangible assets

| Group                                  | Goodwill<br>\$000 | Brand<br>\$000 | Customer<br>relationships<br>\$000 | Customer<br>order books<br>\$000 | Software<br>\$000 | Development<br>costs<br>\$000 | Total<br>\$000   |
|----------------------------------------|-------------------|----------------|------------------------------------|----------------------------------|-------------------|-------------------------------|------------------|
| <b>Cost:</b>                           |                   |                |                                    |                                  |                   |                               |                  |
| At 1 April 2022                        | 1,624,548         | 229,192        | 1,098,938                          | 72,668                           | 11,848            | -                             | 3,037,194        |
| Acquired                               | 98,222            | 1,104          | 34,548                             | 674                              | 3,833             | -                             | 138,381          |
| Acquisition of Stratos                 | 21                | -              | -                                  | -                                | -                 | -                             | 21               |
| Additions                              | -                 | -              | -                                  | -                                | 11,552            | 3,715                         | 15,267           |
| Reclassifications <sup>(1)</sup>       | -                 | -              | -                                  | -                                | (2,574)           | -                             | (2,574)          |
| Exchange differences                   | (52,625)          | (7,057)        | (32,483)                           | (2,000)                          | (449)             | 52                            | (94,562)         |
| <b>At 31 March 2023</b>                | <b>1,670,166</b>  | <b>223,239</b> | <b>1,101,003</b>                   | <b>71,342</b>                    | <b>24,210</b>     | <b>3,767</b>                  | <b>3,093,727</b> |
| Acquired (note 14)                     | 6,584             | -              | 230                                | 86                               | -                 | -                             | 6,900            |
| Additions                              | -                 | -              | -                                  | -                                | 17,261            | 1,647                         | 18,908           |
| Reclassifications <sup>(1)</sup>       | -                 | -              | -                                  | -                                | (263)             | -                             | (263)            |
| Exchange differences                   | (6,501)           | (746)          | (4,078)                            | (441)                            | 232               | 84                            | (11,450)         |
| <b>At 31 March 2024</b>                | <b>1,670,249</b>  | <b>222,493</b> | <b>1,097,155</b>                   | <b>70,987</b>                    | <b>41,440</b>     | <b>5,498</b>                  | <b>3,107,822</b> |
| <b>Amortisation and impairment:</b>    |                   |                |                                    |                                  |                   |                               |                  |
| At 1 April 2022                        | -                 | 5,272          | 30,124                             | 60,831                           | 1,942             | -                             | 98,169           |
| Charge for the year                    | -                 | 11,281         | 64,302                             | 11,834                           | 5,025             | -                             | 92,442           |
| Impairment recognised                  | 96,461            | -              | -                                  | -                                | -                 | -                             | 96,461           |
| Exchange differences                   | -                 | (110)          | (661)                              | (1,534)                          | (308)             | -                             | (2,613)          |
| <b>At 31 March 2023</b>                | <b>96,461</b>     | <b>16,443</b>  | <b>93,765</b>                      | <b>71,131</b>                    | <b>6,659</b>      | <b>-</b>                      | <b>284,459</b>   |
| Charge for the year                    | -                 | 11,956         | 66,348                             | 236                              | 6,557             | -                             | 85,097           |
| Impairment recognised                  | 101,983           | -              | -                                  | -                                | -                 | -                             | 101,983          |
| Reclassifications <sup>(1)</sup>       | -                 | -              | -                                  | -                                | (240)             | -                             | (240)            |
| Exchange differences                   | 672               | (89)           | (616)                              | (444)                            | 17                | -                             | (460)            |
| <b>At 31 March 2024</b>                | <b>199,116</b>    | <b>28,310</b>  | <b>159,497</b>                     | <b>70,923</b>                    | <b>12,993</b>     | <b>-</b>                      | <b>470,839</b>   |
| <b>Carrying amounts:</b>               |                   |                |                                    |                                  |                   |                               |                  |
| <b>Net book value at 31 March 2023</b> | <b>1,573,705</b>  | <b>206,796</b> | <b>1,007,238</b>                   | <b>211</b>                       | <b>17,551</b>     | <b>3,767</b>                  | <b>2,809,268</b> |
| <b>Net book value at 31 March 2024</b> | <b>1,471,133</b>  | <b>194,183</b> | <b>937,658</b>                     | <b>64</b>                        | <b>28,447</b>     | <b>5,498</b>                  | <b>2,636,983</b> |

(1) Reclassification of assets previously recognised in software to computer equipment, as this is deemed a more appropriate classification.

#### Goodwill impairment and fair value assessment

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to CGUs or group of CGUs ("regional CGU") and is not amortised but tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. A CGU is identified as the lowest aggregation of assets that generates largely independent cash inflows at which goodwill and intangible assets are monitored within the Group. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell ("FVLCS").

Management has reviewed the carrying value of the goodwill for each regional CGU using the Group's fair value less cost to sell model. The Group has adopted the discounted cash flow method to determine the FVLCS of the regional CGUs. This approach is determined to be Level 3 in the fair value hierarchy.

## Notes to the financial statements

### 13. Intangible assets (continued)

#### *Goodwill impairment and fair value assessment (continued)*

The cash flow projections use an initial three year period derived from the Group's most recent business plan, risk adjusted and approved by the Directors, with an extrapolation for a further seven years using a systematically declining growth rate and applying a long-term growth rate from year 11 onwards. The cash flows reflect management's expectations of future outcomes, based on past and current experience and expectations of the medium to long term growth prospects for the sector, after considering economic and business risks facing the Group.

Management consider the key assumptions used to be the discount rates and the long-term growth rate applied to extrapolate the cash flows into perpetuity. The discount rates reflect the risks inherent in the subject cash flows, as well as the time value of money. The long term growth rates for each of the CGUs (for the terminal year) have been determined based on the expected long term inflation rates of the countries that make up each regional CGU.

The level at which impairment is tested reflects the lowest level at which goodwill and intangible assets are monitored for internal reporting purposes. The carrying amount of goodwill recorded in the regional CGUs is set out below:

|                                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| Regional CGU                                  | \$000                       | \$000                       |
| Europe, Middle East and Africa <sup>(1)</sup> | 312,004                     | 363,526                     |
| Asia Pacific <sup>(1)</sup>                   | 247,464                     | 278,888                     |
| Latin America and Caribbean <sup>(1)</sup>    | 30,514                      | 61,110                      |
| North America                                 | 881,151                     | 847,577                     |
| <b>Total value<sup>(2)</sup></b>              | <b>1,471,133</b>            | <b>1,551,101</b>            |

(1) Net of impairment recognised during the year of \$101,983,000 (2023: \$96,461,000).

(2) Including exchange differences after retranslation into USD at the year end.

|                              | Discount<br>rates<br>31 March 2024 | Terminal growth<br>rates<br>31 March 2024 | Discount<br>rates<br>31 March 2023 | Terminal growth<br>rates<br>31 March 2023 |
|------------------------------|------------------------------------|-------------------------------------------|------------------------------------|-------------------------------------------|
| Regional CGU                 | %                                  | %                                         | %                                  | %                                         |
| Europe, Middle East & Africa | 10.6                               | 2.1                                       | 10.4                               | 2.1                                       |
| Asia Pacific                 | 11.5                               | 2.2                                       | 11.5                               | 2.5                                       |
| Latin America & Caribbean    | 16.5                               | 2.6                                       | 16.4                               | 3.1                                       |
| North America                | 10.4                               | 2.0                                       | 10.4                               | 2.0                                       |

During the year ended 31 March 2024 the Group recognised goodwill impairments of \$101,983,000 (\$45,533,000 Europe, Middle East & Africa CGU; \$22,780,000 Asia Pacific CGU; and \$33,670,000 Latin American & Caribbean CGU). This was largely attributable to more modest cash flow projections reflecting current economic uncertainty. No impairment was recognised in the North America CGU.

During the year ended 31 March 2023 the Group recognised an impairment of \$96,461,000 in respect of the Europe, Middle East & Africa CGU. This was largely attributable to a rise in interest rates in the region resulting in an increase to the discount rate applied to the CGU. No impairment was recognised in the remaining CGUs.

## Notes to the financial statements

### 13. Intangible assets (continued)

#### *Sensitivity to changes in assumptions*

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated.

A range of reasonably possible discount rates was considered; a 0.25% increase in the discount rate applied to each CGU would result in an additional impairment charge of \$32 million, whereas a 0.25% decrease in the discount rate applied to each CGU would reduce the impairment charge recognised by \$38 million.

Revenue growth rates in the initial three year period are based on management's best estimate of the growth expected in each CGU. Were the lower of management's growth assumptions or actual 5 year average revenue growth rates achieved by each CGU used instead, an additional impairment charge of \$37m would be recognised.

### 14. Business combinations

#### Acquisitions during the year ended 31 March 2024

The fair values of the identifiable assets acquired and liabilities assumed of companies acquired in the year as at the date of acquisition were as follows:

|                                                | <b>Total<br/>\$000</b> |
|------------------------------------------------|------------------------|
| Identifiable intangible assets: <sup>(1)</sup> |                        |
| Customer relationships                         | 230                    |
| Customer order books                           | 86                     |
| Property, plant and equipment                  | 85                     |
| Right of use assets                            | 356                    |
| Trade and other receivables                    | 180                    |
| Cash                                           | 23                     |
| Trade and other payables                       | (1,147)                |
| Lease liabilities                              | (356)                  |
| Deferred tax (net)                             | (53)                   |
| <b>Total identifiable assets</b>               | <b>(596)</b>           |
| Add: Goodwill <sup>(2)</sup>                   | 6,584                  |
| <b>Net assets acquired</b>                     | <b>5,988</b>           |
| Satisfied by:                                  |                        |
| Cash <sup>(3)</sup>                            | 5,988                  |
| <b>Total</b>                                   | <b>5,988</b>           |

(1) In accordance with IFRS 3 "Business Combinations" the identifiable intangible assets that were acquired relate to the fair value of customer relationships and customer order books.

(2) The goodwill is principally attributable to the skills and technical talent of the acquired workforce, earnings attributable to future new customers; opportunities from expansion into new geographies and the synergies expected to be achieved from integrating the companies into ERM.

(3) Acquisition of subsidiaries net of cash acquired per the cash flow statement is \$12,738,000. This consists of cash consideration disclosed above (\$5,988,000) net of cash acquired (\$23,000); \$455,000 The Big Group other payments (see note 14(a)); and \$6,318,000 paid in respect of subsidiaries acquired in prior years (see note 14(b)).

## Notes to the financial statements

### 14. Business combinations (continued)

#### (a) *The Big Group*

On 1 March 2024, ERM completed the acquisition of The Big Middle and The Big Zero ("The Big Group"), Australian enterprise system specialists who are experts in Salesforce, Oracle, and WalkMe technologies. Combined with ERM's consultancy services and its partnership with Salesforce, The Big Zero's expertise in ESG accounting systems will support clients in establishing a unified source of environmental data. The Big Middle will continue as one of Australia's leading technology service providers focused on systems integration of enterprise solutions, including onboarding and training of customers in Australia and New Zealand. The transaction was completed via the purchase of 100% of the issued shares in The Big Zero Australia Pty Ltd.

Cash consideration of \$5,988,000 was paid during the year ended 31 March 2024, being the initial payment of \$6,152,000 (AUD 9,372,000) less an estimated net debt and working capital adjustment of \$164,000 (AUD 250,000). In addition the Group paid \$455,000 (AUD 693,000) to settle transaction expenses and other liabilities of The Big Group.

Deferred payments of up to AUD 2,550,000, are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met.

From the date of acquisition, The Big Group contributed \$158,000 of net revenue and \$109,000 of operating loss (excluding costs of acquisition). If the acquisition had occurred at the beginning of FY24, the Big Group would have contributed an additional \$1,746,000 of net revenue (unaudited) and \$725,000 of operating loss (unaudited).

#### (b) *Other acquisition of subsidiary undertakings costs paid and accrued during the year ended 31 March 2024*

The Group made the following payments:

- i. Deferred payments of \$5,314,000 in respect of acquisitions made in prior years (\$1,780,000 for NINT (see note 14(h)); \$1,656,000 for Libryo (see note 14(f)); \$85,000 for Shelton (see note 14(e)); and \$1,793,000 for Operational Excellence (Opex) Group Limited, acquired in 2021).
- ii. Final net debt and working capital adjustments of \$888,000 in respect of acquisitions made in prior years (\$123,000 for NINT; \$704,000 for Libryo; and \$61,000 for Marinespace (see note 14(d)).
- iii. Settlement of loan notes issued to the sellers of RCG (acquired in 2021), of \$71,000.

The net transaction costs of \$19,776,000 reported in the income statement consists of: \$25,000,000 release of Coho earn-out accruals (see note 14(g)); \$3,464,000 in connection with (i) above for amounts not accrued in prior years; and other acquisition related expenses of \$1,760,000.

## Notes to the financial statements

### 14. Business combinations (continued)

#### Acquisitions during the year ended 31 March 2023

##### (c) *Point Advisory*

On 1 April 2022, ERM completed the acquisition of Point Advisory, a leading Australian climate change and sustainability consultancy offering strategic and technical advice to businesses in the region. The transaction was completed via the purchase of 100% of the issued shares in Point Advisory Pty Ltd.

Founded in 2013, Point Advisory works with the public, private and social sectors across energy, climate change, environment, human rights, sustainable finance, impact measurement and economics, providing clients with innovative, and effective solutions that embed sustainability principles into their strategies and operations.

Point Advisory's team joins ERM's Climate Change and Corporate Sustainability practice, serving clients across the APAC region.

Cash consideration of \$12,080,000 was paid during the year ended 31 March 2023, this being: the initial consideration of \$9,740,000 (AUD 13,000,000); a net debt and working capital adjustment of \$269,000 (AUD 444,000); and \$2,071,000 (AUD 3,043,000) deferred consideration dependent on pre-acquisition earnings for the year ended 30 June 2022.

##### (d) *MarineSpace*

On 30 June 2022, ERM completed the acquisition of MarineSpace, a marine planning and environmental consultancy. The transaction was completed via the purchase of 100% of the issued shares in MarineSpace Limited.

Founded in 2006, MarineSpace provides environmental consultancy and project management services to support clients with the development of their projects in the marine environment. The MarineSpace team apply their extensive knowledge of the marine environment to provide strategic and technical advice to a variety of coastal and marine industries, utilising expertise in feasibility, site selection, consenting, and permitting for marine development projects, marine archaeology and maritime engineering.

Cash consideration of \$9,674,000 was paid during the year ended 31 March 2023, this being the initial payment of \$9,076,000 (GBP 7,500,000) and an estimated net debt and working capital adjustment of \$598,000 (GBP 494,000). A final net debt and working capital adjustment of \$61,000 (GBP 50,000) was accrued during the year ended 31 March 2023 and subsequently settled in the year ended 31 March 2024.

##### (e) *Shelton*

On 30 September 2022, ERM completed the acquisition of Shelton, a sustainability-focused marketing and communications agency. The transaction was completed via the purchase of 100% of the issued shares in Shelton Communications Group, Inc.

Founded in 1991, Shelton is a leading marketing & communications agency based in the US, focused on sustainability and corporate social responsibility, helping companies gain a market advantage as they work to create a more sustainable future.

Shelton's sustainability marketing and communication capabilities combined with ERM's expertise in helping businesses to operationalize sustainability allow ERM to provide a greater depth of service that supports clients with the challenge of communicating their sustainability stories in a clear and compelling way.

Cash consideration of \$4,152,000 was paid during the year ended 31 March 2023, this being the initial payment of \$3,750,000 and a net debt and working capital adjustment of \$402,000. In addition the Group paid \$225,000 to certain individuals in the form of promissory notes that amortize over a 24-month period, with payback provisions dependent on the continued employment of those individuals during that period.

## Notes to the financial statements

### 14. Business combinations (continued)

#### (e) *Shelton (continued)*

Deferred payments, of up to \$175,000, are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met. Of this, \$85,000 was paid during the year ended 31 March 2024.

#### (f) *Libryo*

On 2 December 2022, ERM completed the acquisition of Libryo, a global cloud-based Environmental Health & Safety (EHS) regulatory intelligence platform. The transaction was completed via the purchase of 100% of the issued shares in Libryo Ltd.

Founded in 2016, Libryo makes it quick, accurate and cost-effective for clients to know their legal obligations for every operation that promotes sustainability across multiple jurisdictions. The Libryo Platform tracks unique site-specific legal registers, enabling people to quickly navigate regulatory complexity with clarity and certainty.

Libryo, with their innovative, technology-driven platform will help ERM clients check the regulatory environment more effectively allowing them to proactively manage compliance. This supports ERM's strategy to offer clients the most advanced digital technology solutions available to support their efforts in driving their sustainability journeys forward at pace.

Cash consideration of \$14,960,000 was paid during the year ended 31 March 2023, this being the initial payment of \$15,592,000 (GBP 12,935,000) and an estimated adjustment for net debt, working capital and contribution to transaction expenses of \$632,000 (GBP 525,000). Deferred consideration of \$2,205,000 has been recognised within total consideration. This consists of: \$1,501,000 (GBP 1,256,000) deferred consideration payable twelve months from completion (2 December 2023); and the estimated finalisation of net debt and working capital adjustment of \$704,000 (GBP 584,000). These amounts were subsequently settled during the year ended 31 March 2024 for \$2,360,000.

#### (g) *Coho*

On 3 February 2023, ERM completed the acquisition of Coho Climate Advisors, a global advisory firm with expertise in helping organizations reach their climate change, renewable energy, and water resiliency goals. The transaction was completed via the purchase of 100% of the issued membership interests in Coho Climate Advisors LLC.

Founded in 2010, Coho is a global climate adviser that helps clients switch to renewable energy, and make other large-scale climate and water resiliency investments with a proactive, stakeholder inclusive approach.

Coho provides market insights, strategy development and change management to reduce direct emissions, procure renewable energy, achieve electric vehicle transition, enable fuel switching, facilitate supply chain improvements, and capture fundamental enhancements in water resiliency. Coho's specialist climate, renewable energy and water consulting expertise will help ERM's clients achieve their sustainability goals with customisable and cost-effective solutions.

The accounting for this business combination presented in the group statutory accounts for the year ended 31 March 2023 was provisional, pending completion of the final assessment and valuation of amounts recoverable on contracts. During the year ended 31 March 2024 this exercise was completed and the prior year comparatives presented in these financial statements reflect the final accounting.

## Notes to the financial statements

### 14. Business combinations (continued)

#### (g) Coho (continued)

The fair values of the identifiable assets acquired and liabilities assumed of companies acquired in the year as at the date of acquisition were finalised as follows:

|                                                | Initially<br>reported | Adjustment      | Final         |
|------------------------------------------------|-----------------------|-----------------|---------------|
|                                                | \$000                 | \$000           | \$000         |
| Identifiable intangible assets: <sup>(1)</sup> |                       |                 |               |
| Brand                                          | 653                   | (210)           | 443           |
| Customer relationships                         | 36,516                | (10,580)        | 25,936        |
| Customer order books                           | 948                   | (948)           | -             |
| Property, plant and equipment                  | 113                   | -               | 113           |
| Right of use assets                            | 738                   | -               | 738           |
| Trade and other receivables                    | 14,907                | (12,460)        | 2,447         |
| Cash                                           | 3,295                 | -               | 3,295         |
| Trade and other payables                       | (10,330)              | 230             | (10,100)      |
| Lease liabilities                              | (738)                 | -               | (738)         |
| Deferred tax (net)                             | (2)                   | -               | (2)           |
| <b>Total identifiable assets</b>               | <b>46,100</b>         | <b>(23,968)</b> | <b>22,132</b> |
| Add: Goodwill <sup>(2)</sup>                   | 34,540                | 22,604          | 57,144        |
| <b>Net assets acquired</b>                     | <b>80,640</b>         | <b>(1,364)</b>  | <b>79,276</b> |
| Satisfied by:                                  |                       |                 |               |
| Cash                                           | 57,987                | -               | 57,987        |
| Deferred consideration                         | 22,653                | (1,364)         | 21,289        |
| <b>Total</b>                                   | <b>80,640</b>         | <b>(1,364)</b>  | <b>79,276</b> |

(1) In accordance with IFRS 3 "Business Combinations" the identifiable intangible assets that were acquired relate to the fair value of the brand and customer relationships.

(2) The goodwill is principally attributable to the skills and technical talent of the acquired workforce, earnings attributable to future new customers; opportunities from expansion into new geographies and the synergies expected to be achieved from integration into ERM.

Cash consideration of \$57,987,000 was paid during the year ended 31 March 2023. In addition the Group paid \$9,025,000 to settle transaction expenses and other liabilities of Coho. Deferred consideration of \$21,289,000 has been recognised within total consideration. This consists of the fair value at acquisition date of two earn-outs of up to \$12,500,000 each based on EBITDA for the year ended 31 December 2023 and backlog as at 31 December 2023 (total \$22,039,000); and the finalisation of net debt and working capital refund of \$750,000.

The earn-outs were not achieved and the undiscounted accrual of \$25,000,000 was subsequently released during the year ended 31 March 2024, reported within net transaction costs.

A further deferred payment, of up to \$1,000,000, is dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met.

## Notes to the financial statements

### 14. Business combinations (continued)

#### (h) NINT

On 27 February 2023, ERM completed the acquisition of NINT, a Latin America based consultancy which provides sustainable finance and ESG advisory services. The transaction was completed via the purchase of 100% of the issued shares in NINT – Natural Intelligence Ltda.

Founded in 2013, NINT provides expertise in developing frameworks for sustainable financings, structuring debt instruments with sustainability benefits, and independent assessments of debt issuances which will enhance ERM's end-to-end solutions for investors, issuers and stakeholders in Latin America.

Cash consideration of \$9,813,000 was paid during the year ended 31 March 2023, this being the initial consideration of \$11,103,000 (BRL 57,850,000) less the Holdback Indemnity Amount of \$1,110,000 (BRL 5,785,000) paid to an escrow agent after year end, offset by an estimated net debt and working capital adjustment of \$180,000 (BRL 939,000). Deferred consideration of \$1,203,000 has been recognised within total consideration. This consists of the Holdback Indemnity Amount and the estimated finalisation of net debt and working capital adjustment of \$93,000 (BRL 484,000). The final net debt and working capital adjustment of \$123,000 was paid during the year ended 31 March 2024.

Deferred payments, of up to BRL 26,849,900, are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met. The first tranche was paid during the year ended 31 March 2024 (\$1,780,000).

#### (i) Other acquisition of subsidiary undertakings costs paid and accrued during the year ended 31 March 2023

- i. The Group paid \$1,786,000 deferred consideration in respect of the acquisition of Sustainalize Holdings B.V. (acquired in 2021).
- ii. The Group settled \$805,000 of loan notes issued to the sellers of The Renewables Consulting Group Limited (acquired in 2021).
- iii. The Group paid \$203,000 deferred consideration in respect of Stratos Inc (acquired in 2021).
- iv. The Group paid \$1,899,000 deferred consideration in respect of the acquisition of Operational Excellence (OPEX) Group Limited (acquired in 2021), of which \$1,541,000 was accrued in the year end 31 March 2023, reported within net transaction costs.
- v. The Group paid \$675,000 retention bonus for M.J. Bradley & Associates LLC (acquired in 2020).
- vi. The Group incurred transaction related expenses of \$7,732,000 in connection with the acquisition of ERM Worldwide Group Limited during the year ended 31 March 2023, which were expensed under IFRS 3 through the income statement. Included within the cash flow statement is an amount of \$17,388,000 which predominately relates to cash payments made to shareholders of the acquired Group as an incentive to roll over their investment into the new capital structure. As this is a transaction with shareholders of an acquired subsidiary, management deem it appropriate for this to be classified as investing activities for the purpose of the statement of cash flow.

The net transaction costs of \$11,978,000 reported in the income statement consists of: \$19,000 credit in connection with (ii) and (iii) above for adjustments to amounts accrued in prior years; \$7,732,000 outlined in vi above; and other acquisition related expenses of \$4,265,000.

## Notes to the financial statements

### 15. Deferred tax assets and liabilities

The deferred tax movement is as follows:

| Group                                                                                                  | \$000            |
|--------------------------------------------------------------------------------------------------------|------------------|
| At 1 April 2022                                                                                        | (320,859)        |
| Acquisition of Point Advisory                                                                          | (700)            |
| Acquisition of MarineSpace                                                                             | (669)            |
| Acquisition of Shelton                                                                                 | (301)            |
| Acquisition of Libryo                                                                                  | (246)            |
| Acquisition of Coho                                                                                    | (2)              |
| Acquisition of NINT                                                                                    | (1,114)          |
| Credit for the year recognised in income statement (note 9(a))                                         | 30,326           |
| Deferred tax on retranslation of intangible assets and leases recognised in other comprehensive income | 9,715            |
| Exchange and other differences recognised in other comprehensive income                                | (1,127)          |
| <b>At 31 March 2023</b>                                                                                | <b>(284,977)</b> |
| Acquisition of The Big Zero (note 14)                                                                  | (53)             |
| Credit for the year recognised in income statement (note 9(a))                                         | 22,855           |
| Deferred tax on retranslation of intangible assets and leases recognised in other comprehensive income | 1,276            |
| Exchange and other differences recognised in other comprehensive income                                | (370)            |
| <b>At 31 March 2024</b>                                                                                | <b>(261,269)</b> |

The deferred tax balances have been reflected in the consolidated statement of financial position as follows:

| Group                                   | 31 March 2024<br>\$000 | 31 March 2023<br>\$000 |
|-----------------------------------------|------------------------|------------------------|
| Included within non-current assets      | 74,311                 | 57,142                 |
| Included within non-current liabilities | (335,580)              | (342,119)              |
|                                         | <b>(261,269)</b>       | <b>(284,977)</b>       |

The deferred tax recognised is comprised of the following:

| Group                                         | 31 March 2024<br>Assets<br>\$000 | 31 March 2024<br>Liabilities<br>\$000 | 31 March 2023<br>Assets<br>\$000 | 31 March 2023<br>Liabilities<br>\$000 |
|-----------------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| Depreciation in advance of capital allowances | -                                | -                                     | 1,483                            | -                                     |
| Intercompany costs deductible once paid       | 12,085                           | -                                     | -                                | -                                     |
| Pensions                                      | 1,572                            | -                                     | 1,431                            | -                                     |
| Bonuses                                       | 2,910                            | -                                     | 4,238                            | -                                     |
| Bad / doubtful debts                          | 2,101                            | -                                     | 2,284                            | -                                     |
| Intangible assets                             | -                                | (312,425)                             | -                                | (331,893)                             |
| Tax losses                                    | 23,555                           | -                                     | 12,187                           | -                                     |
| Vacation accruals                             | 5,355                            | -                                     | 3,272                            | -                                     |
| Foreign exchange timing differences           | -                                | (4,435)                               | -                                | -                                     |
| WIP provisions                                | -                                | -                                     | 1,239                            | -                                     |
| Interest restrictions                         | 9,536                            | -                                     | 8,761                            | -                                     |
| Leases                                        | 13,010                           | (12,525)                              | 10,704                           | (10,226)                              |
| Other timing differences                      | 4,187                            | (6,195)                               | 11,543                           | -                                     |
| <b>Deferred tax assets / (liabilities)</b>    | <b>74,311</b>                    | <b>(335,580)</b>                      | <b>57,142</b>                    | <b>(342,119)</b>                      |

## Notes to the financial statements

### 15. Deferred tax assets and liabilities (continued)

The deferred tax balances are measured at 25% as at 31 March 2024 and 31 March 2023.

At the balance sheet date, the Group has unrecognised deferred tax assets of \$40,684,000 (2023: \$49,900,000). This includes a deferred tax asset of \$35,685,000 (2023: \$43,900,000) relating to UK tax losses and unutilised interest expenses which are carried forward to future periods and do not have an expiry date. This deferred tax asset is not considered to satisfy the recognition criteria due to uncertainty regarding the level and suitability of future taxable profits.

### 16. Trade and other receivables

|                                                     | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 | Group<br>31 March 2023<br>\$000 | Company<br>31 March 2023<br>\$000 |
|-----------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade receivables (net of allowance) <sup>(1)</sup> | 193,000                         | -                                 | 202,622                         | -                                 |
| Amounts recoverable on contracts                    | 137,704                         | -                                 | 142,076                         | -                                 |
| Amounts due from Group undertakings                 | -                               | -                                 | -                               | 395                               |
| Other receivables                                   | 12,186                          | 303                               | 9,778                           | 484                               |
| Prepayments                                         | 19,044                          | -                                 | 17,927                          | -                                 |
| Interest rate hedges at fair value                  | 17,262                          | -                                 | 28,853                          | -                                 |
| Net investment in sublease                          | 67                              | -                                 | 384                             | -                                 |
| <b>Total</b>                                        | <b>379,263</b>                  | <b>303</b>                        | <b>401,640</b>                  | <b>879</b>                        |

(1) Trade receivables is disclosed net of a loss allowance of \$8,508,000 (2023: \$8,257,000).

The average credit period taken on trade receivables, calculated by reference to the net amount owed at the year end as a proportion of total revenue in the year was 51.1 days.

The Group receives payments from customers based on a billing schedule, as established in the contract. Trade receivables and amounts recoverable on contracts are recognised when the right to consideration becomes unconditional.

Amounts due from Group undertakings are repayable on demand.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

| 31 March 2024                          | Not past due<br>\$000 | 1-30 days<br>\$000 | 31-60 days<br>\$000 | 61-90 days<br>\$000 | >90 days<br>\$000 | Total<br>\$000 |
|----------------------------------------|-----------------------|--------------------|---------------------|---------------------|-------------------|----------------|
| Expected credit loss rate              | 0.3%                  | 0.5%               | 1.2%                | 3.2%                | 40.4%             | 4.2%           |
| Total gross carrying amount at default | 140,950               | 27,929             | 8,801               | 4,786               | 19,042            | 201,508        |
| Lifetime ECL                           | 407                   | 150                | 109                 | 155                 | 7,687             | 8,508          |
| 31 March 2023                          | Not past due<br>\$000 | 1-30 days<br>\$000 | 31-60 days<br>\$000 | 61-90 days<br>\$000 | >90 days<br>\$000 | Total<br>\$000 |
| Expected credit loss rate              | 0.5%                  | 0.9%               | 2.4%                | 5.2%                | 47.1%             | 3.9%           |
| Total gross carrying amount at default | 151,149               | 30,786             | 9,176               | 5,359               | 14,409            | 210,879        |
| Lifetime ECL                           | 682                   | 289                | 225                 | 279                 | 6,782             | 8,257          |

## Notes to the financial statements

### 16. Trade and other receivables (continued)

The following table details the risk profile for amounts recoverable on contracts based on the Group's provision matrix.

|                             | 31 March 2024 | 31 March 2023 |
|-----------------------------|---------------|---------------|
|                             | \$000         | \$000         |
| Expected credit loss rate   | 3.6%          | 3.2%          |
| Total gross carrying amount | 142,894       | 147,201       |
| Lifetime ECL                | 5,190         | 5,125         |

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables and amounts recoverable on contracts in accordance with the simplified approach set out in IFRS 9.

|                          | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--------------------------|-----------------------------|-----------------------------|
|                          | \$000                       | \$000                       |
| At 1 April               | 13,382                      | 13,535                      |
| Unused amounts reversed  | (6,755)                     | (7,373)                     |
| Change in loss allowance | 7,071                       | 7,220                       |
| <b>At 31 March</b>       | <b>13,698</b>               | <b>13,382</b>               |

### 17. Trade and other payables

|                                                       | Group<br>31 March 2024 | Company<br>31 March 2024 | Group<br>31 March 2023 | Company<br>31 March 2023 |
|-------------------------------------------------------|------------------------|--------------------------|------------------------|--------------------------|
|                                                       | \$000                  | \$000                    | \$000                  | \$000                    |
| Trade payables                                        | 33,269                 | -                        | 39,678                 | -                        |
| Other taxes and social security costs                 | 19,389                 | -                        | 21,050                 | -                        |
| Bills in advance <sup>(1)</sup>                       | 102,307                | -                        | 107,232                | -                        |
| Accrued expenses and other payables <sup>(1)(2)</sup> | 281,683                | 2,699                    | 304,819                | 2,075                    |
| Interest rate hedges at fair value                    | 652                    | -                        | -                      | -                        |
| Amounts due to departing shareholders                 | 288                    | 288                      | 4,963                  | 4,963                    |
| Amounts due to Group undertakings                     | -                      | 23,791                   | -                      | 11,360                   |
| <b>Total</b>                                          | <b>437,588</b>         | <b>26,778</b>            | <b>477,742</b>         | <b>18,398</b>            |

(1) Accrued expenses and other payables include \$105 million relating to deposits paid by customers to ReachCentrum SA, a subsidiary of the Group. Bills in advance include \$40 million relating to work to be completed on ReachCentrum SA products. Refer to note 19.

(2) Accrued expenses and other payables include \$21 million relating to deposits paid by Government bodies. Refer to note 19.

The Directors consider that the carrying amount of trade payables is approximate to their fair value.

Bills in advance relates to payments received in advance of performance under the contract which are recognised as revenue as (or when) the Group performs under the contract.

The current amounts due to Group undertakings from the Company for operational loans carry interest rates of three month local currency Term SOFR (1 month) + 3.02% and for structural loans carry interest rates of three month local currency Term SOFR + 3.78%. Amounts due to Group undertakings are repayable on demand.

## Notes to the financial statements

### 18. Borrowings

|                                 | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 | Group<br>31 March 2023<br>\$000 | Company<br>31 March 2023<br>\$000 |
|---------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| <b>Current liabilities:</b>     |                                 |                                   |                                 |                                   |
| Secured bank loans              | 5,350                           | -                                 | 5,350                           | -                                 |
| Promissory notes                | 3,825                           | 3,825                             | 2,057                           | 2,057                             |
|                                 | <b>9,175</b>                    | <b>3,825</b>                      | <b>7,407</b>                    | <b>2,057</b>                      |
| <b>Non-current liabilities:</b> |                                 |                                   |                                 |                                   |
| Secured bank loans              | 997,452                         | -                                 | 1,012,276                       | -                                 |
| "A" preference shares           | 185,380                         | 185,380                           | 176,326                         | 176,326                           |
| "B" preference shares           | 2,212,520                       | 2,212,520                         | 2,043,587                       | 2,043,587                         |
| Promissory notes                | 7,151                           | 7,151                             | 2,906                           | 2,906                             |
|                                 | <b>3,402,503</b>                | <b>2,405,051</b>                  | <b>3,235,095</b>                | <b>2,222,819</b>                  |
| <b>Total borrowings</b>         | <b>3,411,678</b>                | <b>2,408,876</b>                  | <b>3,242,502</b>                | <b>2,224,876</b>                  |

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 26.

The total borrowings fall due as follows:

|                                    | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 | Group<br>31 March 2023<br>\$000 | Company<br>31 March 2023<br>\$000 |
|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| <i>Amounts falling due:</i>        |                                 |                                   |                                 |                                   |
| within one year                    | 9,175                           | 3,825                             | 7,407                           | 2,057                             |
| in one to two years                | 12,063                          | 7,151                             | 8,256                           | 2,906                             |
| in two to five years               | 1,021,568                       | -                                 | 16,050                          | -                                 |
| over five years                    | 2,397,900                       | 2,397,900                         | 3,244,972                       | 2,219,913                         |
|                                    | 3,440,706                       | 2,408,876                         | 3,276,685                       | 2,224,876                         |
| Less: unamortised debt issue costs | (29,028)                        | -                                 | (34,183)                        | -                                 |
| <b>Total borrowings</b>            | <b>3,411,678</b>                | <b>2,408,876</b>                  | <b>3,242,502</b>                | <b>2,224,876</b>                  |

## Notes to the financial statements

### 18. Borrowings (continued)

#### (a) Terms and repayment schedule

The terms and conditions of outstanding loans are set out below.

| In \$000                                   | Currency | Nominal interest rate <sup>(2)</sup> | Year of maturity | 31 March 2024    |                  | 31 March 2023    |                  |
|--------------------------------------------|----------|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                            |          |                                      |                  | Face value       | Carrying amount  | Face value       | Carrying amount  |
| Senior credit facility <sup>(1)</sup>      | USD      | 3M USD SOFR + 3.75%                  | 2028             | 511,712          | 510,183          | 517,062          | 517,062          |
| Senior credit facility <sup>(1)</sup>      | EURO     | 3M EURIBOR + 3.75%                   | 2028             | 531,492          | 521,647          | 232,264          | 232,264          |
| Senior credit facility <sup>(1)</sup>      | EURO     | 3M EURIBOR + 4.50%                   | 2028             | -                | -                | 302,483          | 302,483          |
| <b>Total senior credit facility</b>        |          |                                      |                  | <b>1,043,204</b> | <b>1,031,830</b> | <b>1,051,809</b> | <b>1,051,809</b> |
| Revolving credit facility                  | USD      | See note (3) below                   | 2027             | -                | -                | -                | -                |
| <b>Total secured bank loans</b>            |          |                                      |                  | <b>1,043,204</b> | <b>1,031,830</b> | <b>1,051,809</b> | <b>1,051,809</b> |
| Less: unamortised debt issue costs         |          |                                      |                  | (29,028)         | (29,028)         | (34,183)         | (34,183)         |
| <b>Total debt, net of debt issue costs</b> |          |                                      |                  | <b>1,014,176</b> | <b>1,002,802</b> | <b>1,017,626</b> | <b>1,017,626</b> |
| "A" preference shares                      | USD      | 8% fixed                             |                  | 185,380          | 185,380          | 176,326          | 176,326          |
| "B" preference shares                      | USD      | 8% fixed                             |                  | 2,212,520        | 2,212,520        | 2,043,587        | 2,043,587        |
| Promissory notes                           | USD      | 3% fixed                             |                  | 10,976           | 10,976           | 4,963            | 4,963            |
| <b>Total borrowings</b>                    |          |                                      |                  | <b>3,423,052</b> | <b>3,411,678</b> | <b>3,242,502</b> | <b>3,242,502</b> |

(1) Subject to a 3M USD SOFR / EURIBOR 0.00% floor.

(2) Nominal interest rate as at 31 March 2024

(3) The Revolving credit facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1-month Term SOFR on USD denominated draws, subject to a 0% floor.

## Notes to the financial statements

### 18. Borrowings (continued)

#### **(b) Bank loans**

The Group's credit facilities at 31 March 2024 comprise the following:

- (i) \$535.0 million USD denominated first lien term debt fully drawn. The facility is repaid at 0.25% (\$1.3 million) per quarter with the remaining balance repayable on 11 July 2028. The debt carries an interest rate of 3.75% above 3 month USD SOFR subject to a 0% floor. During the year ended 31 March 2024, the Group repaid \$5.3 million USD. At 31 March 2024, the undiscounted principal balance outstanding was \$511.7 million with a carrying value of \$510.2 million.
- (ii) €495.0 million EUR denominated first lien term debt fully drawn. The facility is repayable on 11 July 2028 and carries an interest rate of 3.75% above 3 month EURIBOR subject to a 0% floor. At 31 March 2024, the undiscounted principal balance outstanding was \$531.5 million (€495.0 million revalued to the balance sheet foreign exchange rate) with a carrying value of \$521.6 million (€485.8 million revalued to the balance sheet foreign exchange rate).

During the year ended 31 March 2024, the Group undertook a repricing of the margin on €280 million of EUR denominated first lien debt, previously held as three separate tranches. The margin on all three tranches decreased from 4.5% to 3.75%. In addition, the tranches were consolidated into another €215 million tranche of EUR denominated first lien debt held by the Group. The Group recognised a fair value gain of modification of \$8,895,000, reported within financial income.

- (iii) \$238.0 million of the multi-currency revolving credit facility, repayable on 11 July 2027. The facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1 month Term SOFR on USD denominated draws, subject to a 0% floor.

During the year ended 31 March 2024, the Group did not draw on the facility (2023: drew down \$68.0 million and repaid \$121.0 million). At 31 March 2024, the revolving credit facility was undrawn, although \$4.1 million of the facility was utilised as security for bank guarantees (31 March 2023: \$4.7 million).

During the year ended 31 March 2023, the Group repaid in full its \$100m second lien USD denominated term debt. This facility was repayable on 11 July 2029 and carried an interest rate of 6.5% above 3 month LIBOR subject to a 0% floor.

#### **(c) Debt issue costs**

During the year ended 31 March 2024, the Group capitalised debt issue costs of \$1,717,000 in respect of modifications to the Group's credit facilities (2023: \$12,798,000). The unamortised debt issue costs balance of \$29,028,000 as at 31 March 2024 (2023: \$34,183,000) represents capitalised debt issue costs less amounts amortised to date and minor exchange rate movements.

#### **(d) "A" preference shares and promissory notes**

"A" preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The "A" preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier. The "A" preference shares balance at 31 March 2024 is \$185,380,000 and includes \$30,899,000 of cumulative preferential dividend (31 March 2023: \$176,326,000, including \$18,585,000 of cumulative preferential dividend).

During the year ended 31 March 2024, the Company issued 10,447,272 "A" preference shares (2023: 5,026,395) at US\$0.01 nominal value and US\$0.99 share premium each to the ERM Partners.

## Notes to the financial statements

### 18. Borrowings (continued)

#### **(d) "A" preference shares and promissory notes (continued)**

An Employee Benefit Trust (EBT) has been set up to acquire shares from departing shareholders. The trust is maintained in the Channel Islands and is managed by Ocorian Limited, an organisation independent of ERM. The EBT acquires all ordinary and preference shares re-purchased from ERM Partner leavers, settled partially through cash and partially by the issuing of two-year promissory notes which accrue interest at 3.0% per annum.

During the year ended 31 March 2024, a total of 183,753 "A" ordinary shares, 334,837 "C" ordinary shares, 3,735 "D" ordinary shares and 13,707,593 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including accrued dividend payable of \$2,175,000 on the preference shares) for \$8,046,000 cash, \$289,000 deferred consideration payable; and \$8,070,000 issue of promissory notes. In addition, \$4,963,000 of deferred consideration payable from the prior year was settled, giving a total cash payment to departing shareholders during the year ended 31 March 2024 of \$13,009,000.

During the year ended 31 March 2023 a total of 133,900 "A" ordinary shares, 79,130 "C" ordinary shares and 18,746,163 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including accrued dividend payable of \$966,000 on the preference shares) for \$68,000 cash; \$4,963,000 deferred consideration payable; and \$4,963,000 issue of promissory notes. The balance of \$9,932,000 was cash settled in the prior year.

During the year ended 31 March 2024 the Group cash paid \$2,057,000 in settlement of maturing promissory notes (2023: \$nil.)

#### **(e) "B" preference shares**

"B" preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The "B" preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier. The "B" preference shares in issue are held by Nature Topco UK Limited, the Company's parent company.

No "B" preference shares were issued during the years ended 31 March 2024 or 31 March 2023.

The "B" preference shares balance at 31 March 2024 is \$2,212,520,000, and includes \$392,595,000 of cumulative preferential dividend (31 March 2023: \$2,043,587,000, including \$223,662,000 of cumulative preferential dividend).

## Notes to the financial statements

### 19. Net Debt

#### Analysis of net debt

|                                              | At 31 March<br>2023<br>\$000 | Cash flow<br>\$000 | Exchange<br>difference<br>\$000 | Other non<br>cash flow<br>\$000 | At 31 March<br>2024<br>\$000 |
|----------------------------------------------|------------------------------|--------------------|---------------------------------|---------------------------------|------------------------------|
| Cash at bank and on hand                     | 206,722                      | (109,697)          | (1,895)                         | -                               | 95,130                       |
| Money market deposits                        | -                            | 97,743             | -                               | -                               | 97,743                       |
| Cash and cash equivalents <sup>(1) (2)</sup> | 206,722                      | (11,954)           | (1,895)                         | -                               | 192,873                      |
| Debt due within one year                     | (7,407)                      | 2,057              | -                               | (3,825)                         | (9,175)                      |
| Debt due after one year <sup>(3)</sup>       | (3,235,095)                  | 93,146             | 3,242                           | (263,796)                       | (3,402,503)                  |
| Lease liabilities <sup>(3)</sup>             | (41,779)                     | 21,366             | 75                              | (28,452)                        | (48,790)                     |
| Financing liabilities                        | (3,284,281)                  | 116,569            | 3,317                           | (296,073)                       | (3,460,468)                  |
| <b>Total</b>                                 | <b>(3,077,559)</b>           | <b>104,615</b>     | <b>1,422</b>                    | <b>(296,073)</b>                | <b>(3,267,595)</b>           |

(1) The 31 March 2024 cash balance includes \$138 million of cash deposited with ReachCentrum SA (31 March 2023: \$142 million). ReachCentrum SA is a wholly owned subsidiary of the Group and provides administrative support to companies acting in consortia to register chemical substances under the REACH EU regulations. The cash deposited with ReachCentrum SA represents deposits received from consortium members, to be deployed on registrations and subsequent evaluations required under the REACH processes, with any excess funds required to be returned to members of the consortium if requested. A liability of \$144 million held within trade and other payables (refer to note 17) relates to the obligations towards these consortium members.

(2) The 31 March 2024 cash balance includes \$21 million of cash held on behalf of government bodies (31 March 2023: \$18 million). Certain wholly owned subsidiaries of the Group provide administrative support to companies participating in government funded research projects. Deposits are received in advance from various government bodies and released to the external project participants on completion of approved project milestones. A liability of \$21 million held within accrued expenses and other payables (refer to note 17) relates to the obligations towards the external project participants.

(3) See below reconciliation of net cash flow to movement in net debt for components of other non-cash flow.

## Notes to the financial statements

### 19. Net Debt (continued)

#### Reconciliation of net cash flow to movement in net debt

|                                                                       |        | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-----------------------------------------------------------------------|--------|-----------------------------|-----------------------------|
|                                                                       | Notes  | \$000                       | \$000                       |
| Decrease in cash                                                      |        | (11,954)                    | (10,121)                    |
| Issuance of "A" preference shares                                     | 18 (d) | (10,286)                    | (4,271)                     |
| Purchase of "A" preference shares from departing shareholders         | 18 (d) | 7,524                       | 67                          |
| Settlement of promissory notes                                        | 18 (d) | 2,057                       | -                           |
| Proceeds from bank loans                                              | 18 (b) | -                           | (361,042)                   |
| Repayment of bank loans                                               | 18 (b) | 5,350                       | 226,350                     |
| Debt issue costs                                                      | 18 (c) | 1,717                       | 12,798                      |
| Interest payments on bank loans held at amortised cost <sup>(1)</sup> |        | 88,841                      | 54,424                      |
| Repayment of lease liabilities and interest                           |        | 21,366                      | 22,821                      |
| Change in net debt resulting from cash flows                          |        | 104,615                     | (58,974)                    |
| Exchange difference                                                   |        | 1,422                       | (11,524)                    |
| Fair value gain on modification of bank loans                         | 18 (b) | 8,895                       | -                           |
| Issuance of "A" preference shares                                     | 18 (d) | (162)                       | (756)                       |
| Repurchase of "A" preference shares                                   | 18 (d) | 8,359                       | 19,646                      |
| Issuance of promissory notes                                          |        | (8,070)                     | (4,963)                     |
| Dividends accrued on "A" and "B" preference shares                    |        | (183,422)                   | (169,109)                   |
| Interest expense on bank loans held at amortised cost <sup>(1)</sup>  |        | (93,221)                    | (64,199)                    |
| Interest accrued on leases                                            |        | (2,798)                     | (2,436)                     |
| Lease additions, acquisitions and disposals                           |        | (25,654)                    | (13,700)                    |
| Other non-cash flow movement                                          |        | (296,073)                   | (235,517)                   |
| Movement in net debt in the financial year                            |        | (190,036)                   | (306,015)                   |
| Net debt at 1 April                                                   |        | (3,077,559)                 | (2,771,544)                 |
| <b>Net debt at 31 March</b>                                           |        | <b>(3,267,595)</b>          | <b>(3,077,559)</b>          |

- (1) The reconciliation for the year ended 31 March 2023 has been updated to separately disclose the interest expense and payments on bank loans held at amortised cost, in line with the current year presentation.

## Notes to the financial statements

### 20. Lease liabilities

The Group leases offices, as well as a number of motor vehicles and office equipment. The leases typically run for a period of one to five years, often with an option to renew the lease after its expiry date. Each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

The Group is required to make additional lease payments when the usage of the underlying assets exceeds the contractual terms. The Group's variable lease payments of \$532,000 (2023: \$483,000) are less than 2.5% (2023: 2.1%) of the total lease payments of \$21,366,000 (2023: \$22,821,000). These payments are not included in the measurement of the lease liabilities and are recognised as an expense in the Group's Income Statement.

Lease liabilities are payable as follows:

|                                | 31 March 2024<br>\$000 | 31 March 2023<br>\$000 |
|--------------------------------|------------------------|------------------------|
| Lease liabilities due:         |                        |                        |
| within one year                | 14,272                 | 15,297                 |
| in two to five years           | 36,898                 | 26,906                 |
| over five years                | 6,189                  | 5,574                  |
|                                | 57,359                 | 47,777                 |
| Less unearned interest         | (8,569)                | (5,998)                |
| <b>Total lease liabilities</b> | <b>48,790</b>          | <b>41,779</b>          |
| Disclosed as:                  |                        |                        |
| Current                        | 14,272                 | 15,297                 |
| Non-current                    | 34,518                 | 26,482                 |
| <b>Total lease liabilities</b> | <b>48,790</b>          | <b>41,779</b>          |

### 21. Share capital

|                                      | 2024<br>No.   | 2024<br>\$000 | Allotted, called up and fully paid<br>2023<br>No. | 2023<br>\$000 |
|--------------------------------------|---------------|---------------|---------------------------------------------------|---------------|
| "A" ordinary shares <sup>(1)</sup>   | 2,109,661     | 21            | 2,293,414                                         | 23            |
| "B" ordinary shares <sup>(1)</sup>   | 27,574,626    | 276           | 27,574,626                                        | 276           |
| "C" ordinary shares <sup>(1)</sup>   | 8,347,525     | 83            | 4,313,645                                         | 43            |
| "D" ordinary shares <sup>(1)</sup>   | 159,767       | 2             | 85,098                                            | 1             |
| Deferred shares <sup>(1)</sup>       | 33,188,980    | 332           | 18,959,126                                        | 190           |
| Special shares <sup>(1)</sup>        | 131           | -             | 67                                                | -             |
|                                      |               | <b>714</b>    |                                                   | <b>533</b>    |
| "A" preference shares <sup>(1)</sup> | 154,480,914   | 1,545         | 157,741,235                                       | 1,577         |
| "B" preference shares <sup>(1)</sup> | 1,819,925,316 | 18,199        | 1,819,925,316                                     | 18,199        |
|                                      |               | <b>19,744</b> |                                                   | <b>19,776</b> |

(1) Held at US\$0.01 nominal value

# Notes to the financial statements

## 21. Share capital (continued)

The share capital structure available for issue by the Company as at 31 March 2024 is comprised as follows:

- “A” ordinary shares of US\$0.01 each;
- “B” ordinary shares of US\$0.01 each;
- “C” ordinary shares of US\$0.01 each;
- “D” ordinary shares of US\$0.01 each;
- “A” preference shares of US\$0.01 each;
- “B” preference shares of US\$0.01 each;
- “Deferred” shares of US\$0.01 each; and
- “Special” shares of US\$0.01 each;

“A”, “B”, “C” and “D” ordinary shares carry full voting rights. “A” and “B” preference shares carry the right to vote on a limited range of resolutions affecting the rights attached to such shares. Deferred and Special shares do not carry the right to receive notice of or to attend or vote at any general meeting of the Company.

The movement in share capital in issue from 31 March 2023 to 31 March 2024 is presented below:

|                       | At 31 March 2023 |        | Issued     |       | Conversions  |       | At 31 March 2024 |        |
|-----------------------|------------------|--------|------------|-------|--------------|-------|------------------|--------|
|                       | No.              | \$000  | No.        | \$000 | No.          | \$000 | No.              | \$000  |
| “A” ordinary shares   | 2,293,414        | 23     | -          | -     | (183,753)    | (2)   | 2,109,661        | 21     |
| “B” ordinary shares   | 27,574,626       | 276    | -          | -     | -            | -     | 27,574,626       | 276    |
| “C” ordinary shares   | 4,313,645        | 43     | 4,368,717  | 44    | (334,837)    | (4)   | 8,347,525        | 83     |
| “D” ordinary shares   | 85,098           | 1      | 78,404     | 1     | (3,735)      | -     | 159,767          | 2      |
| Deferred shares       | 18,959,126       | 190    | -          | -     | 14,229,854   | 142   | 33,188,980       | 332    |
| Special shares        | 67               | -      | -          | -     | 64           | -     | 131              | -      |
|                       | <b>533</b>       |        | <b>45</b>  |       | <b>136</b>   |       | <b>714</b>       |        |
| “A” preference shares | 157,741,235      | 1,577  | 10,447,272 | 105   | (13,707,593) | (137) | 154,480,914      | 1,545  |
| “B” preference shares | 1,819,925,316    | 18,199 | -          | -     | -            | -     | 1,819,925,316    | 18,199 |
|                       | <b>19,776</b>    |        | <b>105</b> |       | <b>(137)</b> |       | <b>19,744</b>    |        |

The movement in share capital in issue from 31 March 2022 to 31 March 2023 is presented below:

|                       | At 31 March 2022 |        | Issued    |       | Conversions  |       | At 31 March 2023 |        |
|-----------------------|------------------|--------|-----------|-------|--------------|-------|------------------|--------|
|                       | No.              | \$000  | No.       | \$000 | No.          | \$000 | No.              | \$000  |
| “A” ordinary shares   | 2,427,314        | 24     | -         | -     | (133,900)    | (1)   | 2,293,414        | 23     |
| “B” ordinary shares   | 27,574,626       | 276    | -         | -     | -            | -     | 27,574,626       | 276    |
| “C” ordinary shares   | 2,068,104        | 21     | 2,324,671 | 23    | (79,130)     | (1)   | 4,313,645        | 43     |
| “D” ordinary shares   | 76,136           | 1      | 8,962     | -     | -            | -     | 85,098           | 1      |
| Deferred shares       | -                | -      | -         | -     | 18,959,126   | 190   | 18,959,126       | 190    |
| Special shares        | -                | -      | -         | -     | 67           | -     | 67               | -      |
|                       | <b>322</b>       |        | <b>23</b> |       | <b>188</b>   |       | <b>533</b>       |        |
| “A” preference shares | 171,461,003      | 1,715  | 5,026,395 | 50    | (18,746,163) | (188) | 157,741,235      | 1,577  |
| “B” preference shares | 1,819,925,316    | 18,199 | -         | -     | -            | -     | 1,819,925,316    | 18,199 |
|                       | <b>19,914</b>    |        | <b>50</b> |       | <b>(188)</b> |       | <b>19,776</b>    |        |

All shares issued during the year ended 31 March 2024 and year ended 31 March 2023 were issued at US\$0.01 nominal value and US\$0.99 share premium.

## Notes to the financial statements

### 21. Share capital (continued)

During the year ended 31 March 2024 a total of 183,753 "A" ordinary shares, 334,837 "C" ordinary shares, 3,735 "D" ordinary shares and 13,707,593 "A" preference shares were acquired by the EBT from departing shareholders.

During the year ended 31 March 2023 a total of 133,900 "A" ordinary shares, 79,130 "C" ordinary shares and 18,746,163 "A" preference shares were acquired by the EBT from departing shareholders.

Pursuant to the Articles of Association of the Company, all "A" ordinary shares, "C" ordinary shares, "D" ordinary shares, and all but one of the "A" preference shares acquired by the EBT from each shareholder are automatically converted into 'deferred shares' of US\$0.01 nominal value each.

'Deferred shares' are not entitled to receive any dividends and do not carry the right to receive notice of nor to attend or vote at any general meeting of the Company. The one "A" preference share not converted into a deferred share is instead converted into a special share of US\$0.01 nominal value. At 31 March 2024, there were 131 special shares in issue (31 March 2023: 67). Special shares are not entitled to receive any dividends nor do they carry the right to receive notice of or to attend or vote at any general meeting of the Company.

Preference shares are shown on the statement of financial position as debt and in note 18 as falling due after more than one year.

### 22. Share-based payments

The Group has a share-based payment scheme for Partners of the Group, whereby they have purchased class C and/or class D ordinary shares in the Company which are entitled to certain rights in the event of an exit or return of capital by the ultimate parent company, Nature Topco UK Limited. The shares are typically forfeited if the employee leaves the Group before such an exit event.

The IFRS 2 fair value of the shares at the grant date was calculated using the Monte Carlo model, which is considered to be the most appropriate method to take into account the impact of the potential exit dates. The fair values are set out below:

| Group                     | Class C Shares<br>No. | IFRS 2 Fair Value<br>\$ | Class D Shares<br>No. | IFRS 2 Fair Value<br>\$ |
|---------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| At 1 April 2022           | 2,068,104             | 4.21                    | 76,136                | 4.21                    |
| Granted during the year   | 2,324,671             | 4.73                    | 8,962                 | 4.69                    |
| Forfeited during the year | (79,130)              | 4.21                    | -                     | -                       |
| <b>At 31 March 2023</b>   | <b>4,313,645</b>      | <b>4.49</b>             | <b>85,098</b>         | <b>4.26</b>             |
| Granted during the year   | 4,048,717             | 2.91                    | 78,404                | 2.96                    |
| Forfeited during the year | (334,837)             | 3.96                    | (3,735)               | 4.21                    |
| <b>At 31 March 2024</b>   | <b>8,027,525</b>      | <b>3.70</b>             | <b>159,767</b>        | <b>3.62</b>             |

Under IFRS 2, the fair value is recognised over the period from issue to assumed exit date. The share-based payment expense for the year ended 31 March 2024 was \$8,759,000 (2023: \$4,804,000), of which \$8,429,000 (2023: \$4,804,000) relates to the equity-settled share based payment scheme above and \$330,000 (2023: \$nil) relates to a liability-settled share based-payment scheme.

## Notes to the financial statements

### 23. Pension commitments

Group companies operate various defined contribution pension schemes in countries around the world, including Australia, Hong Kong and the United Kingdom. The schemes are funded by the payment of contributions to separately administered funds. A 401K Plan is maintained by Vanguard for United States employees, to which the US employers make matching contributions.

At the balance sheet date, an accrual of \$5,110,000 relating to unpaid pension contributions is included within the financial statements (2023: \$4,754,000). The amount charged to the income statement during the year ended 31 March 2024 was \$24,469,000 (2023: \$21,525,000).

### 24. Contingent liabilities

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. Following IAS 37, when it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals. For other cases it is not possible to predict with certainty the results of these contingent liabilities but the Directors believe, taking into account counter-claims including any claims against third parties, insurance coverage and provisions in the accounts, that the outcome will not have a material effect on the Group's financial position.

### 25. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below:

#### *Transactions with the management personnel*

The "A" preference shares are owned globally by ERM Partners, who are senior management level leaders of the business. The "A" preference shares balance at 31 March 2024 of \$185,380,000 includes \$30,899,000 of cumulative preferential dividend (31 March 2023: \$176,326,000 includes \$18,585,000 of cumulative preferential dividend). See note 18 (d).

The Company Directors are considered to be the key management personnel. Directors' remuneration is disclosed in note 6. During the year ended 31 March 2024, 375,000 "C" ordinary shares were issued to the Directors of the Company (2023: 149,600); all shares are fully paid and included in note 21. In addition, 528,110 "D" ordinary shares in Nature Topco limited, the ultimate parent company, are held by the EBT on behalf of a Director of the Company (2023: nil).

#### *Other related party balances*

KKR provide strategic corporate planning and other management services to the Group in accordance with an annual management advisory agreement. In consideration of these services the Group reported advisory fees and related expenses of \$2,866,000 during the year ended 31 March 2024 (2023: \$2,742,000). During the year ended 31 March 2023 the Group also paid advisory fees of \$2,394,000 to KKR Capstone EMEA LLP.

During the year ended 31 March 2024 the Group paid finance arrangement fees of \$1,158,880 to KKR Capital Markets Partners LLP (2023: \$3,526,000). These costs were capitalised as debt issue costs (see note 18).

## Notes to the financial statements

### 26. Financial instruments and related disclosures

#### Financial risk management

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors usually meets every other month, with extra meetings as required. At these meetings operational performance as well as business risks are monitored and discussed with any necessary actions agreed to mitigate key risks.

Details of the Group's principal risks and uncertainties are also set out in the Strategic report on page 21. Furthermore, details of cash on hand and debt facilities are set out in the Strategic report on page 4.

#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from and work in progress with customers.

The carrying amount of the Group's non-derivative financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                  | Notes | 31 March 2024<br>\$000 | 31 March 2023<br>\$000 |
|----------------------------------|-------|------------------------|------------------------|
| Trade receivables, net           | 16    | 193,000                | 202,622                |
| Amounts recoverable on contracts | 16    | 137,704                | 142,076                |
| Other receivables <sup>(1)</sup> |       | 7,593                  | 7,028                  |
| Cash and cash equivalents        | 19    | 192,873                | 206,722                |
| <b>Total</b>                     |       | <b>531,170</b>         | <b>558,448</b>         |

(1) Comprises note 16 balance less excluded items under IFRS such as local tax and statutory related receivable balances.

The Group has no significant concentrations of credit risk at the balance sheet date. The trade receivables balance is spread across a large number of different customers in the following key sectors: Energy, Power, Chemical, Technology, Finance, Manufacturing, Mining and Pharmaceuticals. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The Group only sells to customers who are creditworthy and mitigates risk in certain markets by trading on terms with accelerated payments, bank guarantees and letters of credit. The Group monitors the creditworthiness of counterparties using publicly available information. As a result the Group's exposure to bad debts is not significant and default rates have historically been very low.

The Group is also exposed to credit risk arising from other financial assets, which comprise cash and short-term deposits. The Group's policy is that surplus funds are held with counterparties, who are either party to the Group's banking syndicate, or who are creditworthy counterparties. The Group only deals with banks with A-1 (S&P) / P-1 (Moody's) rating in order to manage this risk.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### 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 ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring any obligations, limits and covenants (where applicable) on a regular basis to ensure there are no expected significant breaches, which would lead to an "Event of Default". The only covenant relates to the use of revolving credit facility at each quarter end. The Group has been below the threshold for testing this covenant at every quarter end. There are no other covenants that apply to the Group.

The Group has a centralised treasury function that monitors and manages cash balances and cash flow forecasts for the operating entities. Cash flow forecasting is performed in the operating entities of the Group to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach on any of its borrowing obligations facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet targets and, if applicable, external regulatory or legal requirements – for example, any currency restrictions.

The Group is exposed to certain restrictions imposed by the terms of its debt facilities and the loans are secured by fixed and floating charges over the assets of the Group. A portion of cash flow from operations is used for the payment of interest and principal. The cash flow forecasts continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed banking facilities. For further details of the Group's borrowings see note 18.

At the year end the Group also had a revolving credit facility of \$238 million, which was undrawn and \$4.1 million of the undrawn amount was utilised as security for bank guarantees (2023: \$238 million facility; undrawn; \$4.7 million utilised as security for bank guarantees).

The carrying amount of the Group's non-derivative financial liabilities at fair values represents the maximum liquidity exposure. The maximum exposure to liquidity risk at the reporting dates was as follows:

|                                                            |       | 31 March 2024    | 31 March 2023    |
|------------------------------------------------------------|-------|------------------|------------------|
|                                                            | Notes | \$000            | \$000            |
| <b>Non-derivative financial liabilities – current:</b>     |       |                  |                  |
| Trade payables                                             | 17    | 33,269           | 39,678           |
| Accrued expenses and other payables <sup>(1)</sup>         |       | 232,287          | 263,760          |
| Secured bank loans                                         | 18    | 5,350            | 5,350            |
| Promissory notes                                           | 18    | 3,825            | 2,057            |
|                                                            |       | <b>274,731</b>   | <b>310,845</b>   |
| <b>Non-derivative financial liabilities – non-current:</b> |       |                  |                  |
| Secured bank loans                                         | 18    | 997,452          | 1,012,276        |
| "A" preference shares                                      | 18    | 185,380          | 176,326          |
| "B" preference shares                                      | 18    | 2,212,520        | 2,043,587        |
| Promissory notes                                           | 18    | 7,151            | 2,906            |
|                                                            |       | <b>3,402,503</b> | <b>3,235,095</b> |
| <b>Total non-derivative financial liabilities</b>          |       | <b>3,677,234</b> | <b>3,545,940</b> |

(1) Comprises note 17 balance less excluded items under IFRS such as local taxes and statutory related balances.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### *Liquidity risk (continued)*

The maturity profile of the contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out below.

| 31 March 2024<br>In \$000                    | Contractual undiscounted cash flows |                      |               |                  |                      |
|----------------------------------------------|-------------------------------------|----------------------|---------------|------------------|----------------------|
|                                              | Total                               | 12 months<br>or less | 1-2 years     | 2-5 years        | More than 5<br>years |
| <b>Non-derivative financial liabilities:</b> |                                     |                      |               |                  |                      |
| Trade payables                               | 33,263                              | 33,263               | -             | -                | -                    |
| Accrued expenses and other payables          | 232,287                             | 232,287              | -             | -                | -                    |
| Secured bank loans                           | 1,418,562                           | 92,137               | 91,653        | 1,234,772        | -                    |
| "A" preference shares <sup>(1)</sup>         | 185,380                             | -                    | -             | -                | 185,380              |
| "B" preference shares <sup>(1)</sup>         | 2,212,520                           | -                    | -             | -                | 2,212,520            |
| Promissory notes                             | 10,976                              | 3,825                | 7,151         | -                | -                    |
| <b>Total</b>                                 | <b>4,092,988</b>                    | <b>361,512</b>       | <b>98,804</b> | <b>1,234,772</b> | <b>2,397,900</b>     |

| 31 March 2023<br>In \$000                    | Contractual undiscounted cash flows |                      |               |                |                      |
|----------------------------------------------|-------------------------------------|----------------------|---------------|----------------|----------------------|
|                                              | Total                               | 12 months<br>or less | 1-2 years     | 2-5 years      | More than 5<br>years |
| <b>Non-derivative financial liabilities:</b> |                                     |                      |               |                |                      |
| Trade payables                               | 39,678                              | 39,678               | -             | -              | -                    |
| Accrued expenses and other payables          | 263,760                             | 263,760              | -             | -              | -                    |
| Secured bank loans                           | 1,520,128                           | 91,589               | 91,104        | 101,320        | 1,236,115            |
| "A" preference shares <sup>(1)</sup>         | 176,326                             | -                    | -             | -              | 176,326              |
| "B" preference shares <sup>(1)</sup>         | 2,043,587                           | -                    | -             | -              | 2,043,587            |
| Promissory notes                             | 4,963                               | 2,057                | 2,906         | -              | -                    |
| <b>Total</b>                                 | <b>4,048,442</b>                    | <b>397,084</b>       | <b>94,010</b> | <b>101,320</b> | <b>3,456,028</b>     |

(1) As disclosed in note 18, the preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier.

It is not expected that the cash flows included in the maturity analysis could occur at significantly different amounts.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### **Market risk**

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income. Other risks include recession impacting geographies or sectors the Group operates in.

ERM's business is derived in a large part from the petroleum, manufacturing, chemical, pharmaceutical, mining, power, infrastructure and technology industries. A major change in one or more of these industries could result in significant changes in the market for environmental services and ERM's business, which could give rise to temporary or long-term challenges or setbacks for ERM, which may adversely affect operations, financial condition and results of operations.

These risks are managed by strong reporting, control and forecasting over cash flows. Management monitors macro-economic trends and the impact on business or sector performance and, if necessary, takes appropriate action to mitigate risks.

The Group's indebtedness is drawn in US Dollars and Euros to provide a natural hedge against these currencies, being the major currencies in which the Group operates. This provides an economic hedge without derivatives being entered into and therefore hedge accounting is not applied in these circumstances.

#### **Currency risk**

The Group operates internationally and is, therefore, exposed to foreign exchange risk which can negatively impact revenue, costs, margins and profit.

The Group's exposure to transaction risk on the translation and conversion of trade transactions is not considered significant to warrant any income statement and balance sheet hedging. A natural hedge is in place as costs are typically in the same currency as sales for ERM entities.

The currency risk is also managed through the use of foreign currency bank accounts.

In order to minimise the Group's exposure over funding costs, such as funding for business acquisitions, the Group's policy allows funds to be raised in currencies other than US Dollars. Where this is done the borrowing will be treated as a natural hedge against net assets in that currency and documented and designated as such.

The level of Group monetary assets and liabilities at the reporting date in currencies other than the local currency of operation is not significant. Monetary assets and liabilities refer to cash, deposits, borrowings and other amounts to be received or paid in cash. Amounts exclude intercompany balances which eliminate on consolidation.

The Group's bank loans include EUR denominated term debt (see note 18(b)). At 31 March 2024 the balance outstanding on the EUR term debt was €495 million revalued to \$532 million at the balance sheet foreign exchange rate (31 March 2023: €495 million EUR debt revalued to \$535 million). The consolidated income statement includes foreign exchange movements on revaluation of the EUR debt, reported within financial income and expenses. The table below discloses the impact on financial income / expenses of a 10% increase / decrease in USD against EUR.

| <b>Impact</b>                | <b>USD 10% Strengthening</b> |                      | <b>USD 10% Weakening</b> |                      |
|------------------------------|------------------------------|----------------------|--------------------------|----------------------|
|                              | <b>Year ended</b>            | <b>Year ended</b>    | <b>Year ended</b>        | <b>Year ended</b>    |
|                              | <b>31 March 2024</b>         | <b>31 March 2023</b> | <b>31 March 2024</b>     | <b>31 March 2023</b> |
|                              | <b>\$000</b>                 | <b>\$000</b>         | <b>\$000</b>             | <b>\$000</b>         |
| Financial income / (expense) | 40,811                       | 41,241               | (49,880)                 | (50,406)             |

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### Interest rate risk

The Group's indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. The Group is exposed to the risk of interest rate fluctuations mainly with regard to the interest expense on the external debt. The Group's bank borrowings incur variable interest rates charged at USD SOFR / EURIBOR plus a fixed margin.

The Group assesses whether interest rate hedges should be entered into on a regular basis. The Group has entered into arrangements for interest rate caps and swaps to hedge against the increase of interest rates on the bank loans. The caps and swaps minimise sensitivity to rises rates without impacting existing participation in falling rates. The interest rate caps and swaps have not been designated as hedging instruments.

Details of the Group's caps and swaps are set out in the tables below.

| Cap amount<br>CCY'000 | Interest rate cap terms                             |                                                       | Fair value<br>asset<br>31 March 2024<br>\$000 |
|-----------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------------------------------------|
| USD 300,000           | 4-year 2.285% IR Cap on 3M USD SOFR <sup>(1)</sup>  | 31 March 2022 to 31 March 2026                        | 12,906                                        |
| USD 125,000           | 3-year 3.2725% IR Cap on 3M USD SOFR <sup>(2)</sup> | 30 September 2022 to 30 September 2027 <sup>(3)</sup> | 2,754                                         |
| EUR 125,000           | 3-year 2.5% IR Cap on 3M EURIBOR                    | 30 September 2022 to 30 September 2025                | 1,602                                         |
|                       |                                                     |                                                       | <b>17,262</b>                                 |

| Swap amount<br>CCY'000 | Interest rate swap terms                |                                | Fair value<br>(liability)<br>31 March 2024<br>\$000 |
|------------------------|-----------------------------------------|--------------------------------|-----------------------------------------------------|
| EUR 150,000            | 3-year fixed 3.1065% swap on 3M EURIBOR | 31 March 2023 to 31 March 2026 | (316)                                               |
| EUR 50,000             | 3-year fixed 3.324% swap on 3M EURIBOR  | 31 March 2023 to 31 March 2026 | (336)                                               |
|                        |                                         |                                | <b>(652)</b>                                        |

(1) Amended from 2.5% on 3M USD LIBOR to 2.285% on 3M SOFR effective from 29 September 2023.

(2) Amended from 3.5% on 3M USD LIBOR to 3.2725% on 3M SOFR effective from 29 September 2023.

(3) Expiry date extended from 30 September 2025 to 30 September 2027 subsequent to the year end on 4 May 2024.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows:

| Carrying amount                      | 31 March 2024<br>\$000 | 31 March 2023<br>\$000 |
|--------------------------------------|------------------------|------------------------|
| <b>Fixed rate instruments</b>        |                        |                        |
| "A" preference shares <sup>(1)</sup> | 185,380                | 176,326                |
| "B" preference shares <sup>(1)</sup> | 2,212,520              | 2,043,587              |
| Promissory notes                     | 10,976                 | 4,963                  |
|                                      | <b>2,408,876</b>       | <b>2,224,876</b>       |
| <b>Variable rate instruments</b>     |                        |                        |
| Cash and cash equivalents            | (192,873)              | (206,722)              |
| Senior credit facility               | 1,031,830              | 1,051,809              |
|                                      | <b>838,957</b>         | <b>845,087</b>         |

(1) Subject to non-cash accrued dividends

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

Based on current operating profits the Group's interest coverage is 1.9x thereby providing sufficient headroom to enable the Group to pay its interest expenses on outstanding debt. The ratio is calculated by dividing the Group's operating profit before net transaction costs, amortisation and impairment, net financial expenses and income taxes by the Group's bank interest expense for the year.

#### *Interest rate sensitivity analysis*

The current effective rate of interest applied to the Group's debt facilities is calculated as 3 month USD SOFR or 3 month EURIBOR rate both subject to a floor of 0.00% plus a margin of between 3.25% and 3.75%. At 31 March 2024, 3 month USD SOFR was 5.30% (2023: LIBOR 5.16%) and 3 month EURIBOR was 3.90% (2023: 3.02%).

The Group's sensitivity to a change in interest rates by +/- 1% on floating rate borrowings (bank borrowings which attract interest at floating rates) would affect the consolidated income statement and consolidated statement of other comprehensive income and equity for the year by approximately \$2.8 million (2023: \$4.6 million).

#### **Capital risk**

The Group's objectives when managing capital (defined as net cash plus equity) are to safeguard its ability to continue as a going concern whilst seeking to optimise returns to its shareholders. The Board's policy is to retain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future growth. The Directors regularly monitor:

- The Group's level of capital to ensure that this can be achieved. This is measured on the basis of the net debt leverage ratio. This ratio is calculated as net debt divided by total earnings before interest, tax, depreciation and amortisation. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents.
- Performance versus annual budget and quarterly forecasts.

Cash is used to fund the Group's continued investment and growth of the global brand. It is also used to make routine payments of capital expenditure and tax. The Group also has access to the multi-currency revolving credit facility of \$238 million which was undrawn at 31 March 2024 (\$4.1 million of the undrawn amount was utilised as security for bank guarantees). (31 March 2023 undrawn; \$4.7 million utilised as security for bank guarantees).

The Group is in compliance with the limited financial and other obligations, limits and covenants within its committed bank credit facilities, and has been in compliance throughout the historical period.

#### **Fair value disclosures**

The carrying amount of financial assets and liabilities approximate their fair values. The majority of the financial assets are current. The majority of the current interest-bearing liabilities are at variable interest rate. The fair values of the non-current fixed rate interest-bearing liabilities are not materially different from their carrying amounts.

The fair values of financial assets and liabilities, including liabilities held at amortised cost, are approximately equal to the carrying values of the non-derivative financial assets and the carrying values of non-derivative financial liabilities.

The Group did not have any financial instruments designated as hedging instruments as at 31 March 2024 (31 March 2023: none).

## Notes to the financial statements

### 27. Investment in subsidiaries

Details of the related undertakings which the Group and the Company hold, directly or indirectly are shown below. All companies either carry out the principal activities of the Group, namely the provision of sustainability & climate change, safety and digital services to clients, or are holding companies. The address key refers to the registered office address which is provided in the subsequent table.

|                                                        |   | <b>Share<br/>class</b> | <b>Holding<br/>%</b> |   | <b>Country of<br/>incorporation</b> | <b>Address<br/>key</b> |
|--------------------------------------------------------|---|------------------------|----------------------|---|-------------------------------------|------------------------|
| <i>North America</i>                                   |   |                        |                      |   |                                     |                        |
| Coho Climate Advisors LLC                              | * | Interests              | 100                  |   | USA                                 | 1                      |
| ERM Consultants Canada Ltd.                            | * | Common                 | 100                  |   | Canada                              | 2                      |
|                                                        | * | Preferred              | 100                  |   |                                     |                        |
| Environmental Resources Management Michigan, Inc.      | * | Common                 | 100                  |   | USA                                 | 3                      |
| Environmental Resources Management Southwest, Inc.     | * | Class A                | 100                  |   | USA                                 | 4                      |
|                                                        | * | Class B                | 100                  |   |                                     |                        |
| Environmental Resources Management, Inc.               | * | Common                 | 100                  |   | USA                                 | 5                      |
| ERM Alaska, Inc.                                       | * | Common                 | 100                  |   | USA                                 | 6                      |
| ERM Certification & Verification Services Incorporated | * | Common                 | 100                  |   | USA                                 | 7                      |
| ERM Consulting & Engineering, Inc.                     | * | Common                 | 100                  |   | USA                                 | 8                      |
| ERM Emerald US Inc.                                    | * | Common                 | 100                  |   | USA                                 | 9                      |
| ERM Information Solutions, Inc.                        | * | Common A               | 100                  |   | USA                                 | 4                      |
|                                                        | * | Common B               | 100                  |   |                                     |                        |
|                                                        | * | Common C               | 100                  |   |                                     |                        |
| ERM NC, Inc.                                           | * | Common                 | 100                  |   | USA                                 | 10                     |
| ERM-Delaware, Inc.                                     | * | Common                 | 100                  |   | USA                                 | 9                      |
| ERM-NA Holdings Corp.                                  | * | Common                 | 100                  |   | USA                                 | 12                     |
| Shelton Communications Group, Inc.                     | * | Ordinary               | 100                  |   | USA                                 | 13                     |
| SustainAbility, Inc                                    | * | Ordinary               | 100                  |   | USA                                 | 1                      |
| <i>United Kingdom</i>                                  |   |                        |                      |   |                                     |                        |
| Action Media Safety Ltd.                               | * | Ordinary               | 100                  | 1 | UK                                  | 14                     |
| Arcus Consultancy Services Limited                     | * | Ordinary               | 100                  | 1 | UK                                  | 15                     |
| Critical Resource Strategy & Analysis Limited          | * | Ordinary               | 100                  | 1 | UK                                  | 15                     |
| CSA Global (UK) Limited                                | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| E4Tech (UK) Ltd                                        | * | Ordinary               | 100                  | 1 | UK                                  | 15                     |
| Eagle 4 Limited                                        | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| Element Energy Limited                                 | * | Ordinary               | 100                  | 1 | UK                                  | 15                     |
| Emerald 2 Limited                                      | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| 07006868 Limited                                       | * | Ordinary               | 100                  | 2 | UK                                  | 15                     |
|                                                        | * | Ordinary B             | 100                  |   |                                     |                        |
| Environmental Resources Management Limited             | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM-Asia Pacific Holdings, Limited                     | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM Certification and Verification Services Limited    | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM Climate Markets Limited                            | * | Ordinary               | 100                  |   | UK                                  |                        |
| Dolphyn Hydrogen Limited                               | * | Ordinary               | 100                  | 3 | UK                                  | 16                     |
| Dolphyn Hydrogen - Celtic Sea SPV Limited              | * | Ordinary               | 100                  | 4 | UK                                  | 16                     |
| Dolphyn Hydrogen - North Sea SPV Limited               | * | Ordinary               | 100                  | 5 | UK                                  | 16                     |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is undergoing liquidation process.

(2) During the year the name was changed from Engineering Safety Consultants Ltd to 07006868 Limited.

(3) During the year the name was changed from ERM Dolphyn Holdco Limited to Dolphyn Hydrogen Limited.

(4) During the year the name was changed from ERM Dolphyn SPV1 Limited to Dolphyn Hydrogen - Celtic Sea SPV Limited.

(5) During the year the name was changed from ERM Dolphyn SPV 2 Limited to Dolphyn Hydrogen - North Sea SPV Limited.

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

|                                                        |   | <b>Share<br/>class</b> | <b>Holding<br/>%</b> |   | <b>Country of<br/>incorporation</b> | <b>Address<br/>key</b> |
|--------------------------------------------------------|---|------------------------|----------------------|---|-------------------------------------|------------------------|
| <i>United Kingdom (continued)</i>                      |   |                        |                      |   |                                     |                        |
| Engineering Safety Consultants Ltd                     | * | Ordinary               | 100                  | 1 | UK                                  | 16                     |
| ERM Eurasia Limited                                    | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM-Europe, Ltd                                        | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM International Services Limited                     | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM Limited                                            | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM (Overseas Holdings) Limited                        | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| ERM Regulatory Services Limited                        | * | Ordinary               | 100                  | 2 | UK                                  | 15                     |
| ERM Worldwide Group Limited                            | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| First Option Safety Group Limited                      | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| Libryo Ltd                                             | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| MarineSpace Ltd                                        | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| Nature Bidco Limited                                   | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| Nature Midco Limited                                   |   | Ordinary               | 100                  | 3 | UK                                  | 16                     |
| Operational Excellence (Opex) Group Ltd                | * | Ordinary A             | 100                  |   | UK                                  | 17                     |
|                                                        | * | Ordinary B             | 100                  |   |                                     |                        |
|                                                        | * | Ordinary C             | 100                  |   |                                     |                        |
|                                                        | * | Ordinary Y             | 100                  |   |                                     |                        |
|                                                        | * | Ordinary Z             | 100                  |   |                                     |                        |
|                                                        | * | Preference             | 100                  |   |                                     |                        |
| SustainAbility Limited                                 | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| The Fifth Business (Scotland) Limited                  | * | Ordinary A             | 100                  | 2 | UK                                  | 14                     |
|                                                        |   | Ordinary B             | 100                  |   |                                     |                        |
| The Renewables Consulting Group Limited                | * | Ordinary               | 100                  |   | UK                                  | 16                     |
| <i>EMEA</i>                                            |   |                        |                      |   |                                     |                        |
| Environmental Resources Management-ERM N.V.            | * | Ordinary               | 100                  |   | Belgium                             | 18                     |
| ReachCentrum SA                                        | * | Registered             | 100                  |   | Belgium                             | 18                     |
| ERM Denmark ApS                                        | * | Ordinary               | 100                  |   | Denmark                             | 20                     |
| ERM France SAS                                         | * | Ordinary               | 100                  |   | France                              | 21                     |
| Emerald Germany GmbH                                   | * | Ordinary               | 100                  |   | Germany                             | 22                     |
| ERM GmbH                                               | * | Ordinary               | 100                  |   | Germany                             | 22                     |
| ERM Consultants (Ghana) Limited                        | * | Ordinary               | 100                  |   | Ghana                               | 23                     |
| ERM-ESL JV Ghana Limited                               | * | Common                 | 90                   |   | Ghana                               | 23                     |
| ERM Environmental Resources Management Ireland Limited | * | Ordinary               | 100                  |   | Ireland                             | 24                     |
| ERM Italia S.p.A.                                      | * | Ordinary               | 100                  |   | Italy                               | 25                     |
| ERM Eurasia Limited Liability Partnership              | * | Ordinary               | 100                  |   | Kazakhstan                          | 26                     |
| ERM Consulting East Africa Limited                     | * | Ordinary               | 100                  |   | Kenya                               | 27                     |
| Environmental Resources Management Mozambique, SU, LDA | * | Ordinary               | 100                  |   | Mozambique                          | 28                     |
| ERM Holdings B.V.                                      | * | Registered             | 100                  |   | Netherlands                         | 29                     |
| Environmental Resources Management Nederland B.V.      | * | Ordinary               | 100                  |   | Netherlands                         | 19                     |
| Sustainalize B.V.                                      | * | Ordinary               | 100                  |   | Netherlands                         | 19                     |
| Sustainalize Holding B.V.                              | * | Ordinary               | 100                  |   | Netherlands                         | 19                     |
| The Fifth Business B.V.                                | * | Ordinary               | 100                  |   | Netherlands                         | 19                     |
| RePlan ERM Consulting Nigeria Limited                  | * | Ordinary               | 100                  | 2 | Nigeria                             | 30                     |
| ERM Norway AS                                          | * | Ordinary               | 100                  |   | Norway                              | 31                     |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) During the year the name was changed from ERM Emilion Ltd to Engineering Safety Consultants Ltd.

(2) The subsidiary is undergoing liquidation process.

(3) The ERM International Group Limited directly owns Nature Midco Limited.

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

|                                                                          |   | Share<br>class | Holding<br>% |   | Country of<br>incorporation | Address<br>key |
|--------------------------------------------------------------------------|---|----------------|--------------|---|-----------------------------|----------------|
| EMEA (continued)                                                         |   |                |              |   |                             |                |
| The Renewables Consulting Group (Nordic) AS                              | * | Ordinary       | 51           |   | Norway                      | 32             |
| ERM Polska Sp.z.o.o.                                                     | * | Ordinary       | 100          |   | Poland                      | 33             |
| ERM Portugal - Consultores em Engenharia do Ambiente, LDA                | * | Quotas         | 100          |   | Portugal                    | 34             |
| ERM Environmental Resources Management S.R.L                             | * | Ordinary       | 100          |   | Romania                     | 35             |
| ERM (Senegal) SARL                                                       | * | Ordinary       | 100          |   | Senegal                     | 36             |
| Arcus Consultancy Services (South Africa) Proprietary Limited            | * | Ordinary       | 100          |   | South Africa                | 37             |
| CSA Global South Africa (Pty) Ltd                                        | * | Ordinary       | 100          |   | South Africa                | 38             |
| Environmental Resources Management Southern Africa (Proprietary) Limited | * | Ordinary       | 74.965       | 1 | South Africa                | 38             |
| Standards & Legal (RF) Proprietary Limited                               | * | Ordinary       | 100          |   | South Africa                | 39             |
| Environmental Resources Management Iberia, SAU                           | * | Class A        | 100          |   | Spain                       | 40             |
|                                                                          | * | Class B        | 100          |   |                             |                |
| E4tech S.à.r.l.                                                          | * | Ordinary       | 100          |   | Switzerland                 | 41             |
| ERM Swiss GmbH                                                           | * | Ordinary       | 100          |   | Switzerland                 | 41             |
| ERM Consulting Tanzania Limited                                          | * | Ordinary       | 100          |   | Tanzania                    | 42             |
| Asia Pacific                                                             |   |                |              |   |                             |                |
| ACN 077 165 532 Pty Ltd                                                  | * | Ordinary       | 100          | 2 | Australia                   | 43             |
| Emerald Newco Pty Limited                                                | * | Ordinary       | 100          |   | Australia                   | 43             |
| Environmental Resources Management Australia Pty Limited                 | * | Ordinary       | 100          |   | Australia                   | 43             |
| ERM Australia Pacific Pty Ltd                                            | * | Ordinary       | 100          |   | Australia                   | 43             |
| ERM Emilion Australia Pty Ltd                                            | * | Ordinary       | 100          |   | Australia                   | 43             |
| ERM Services Australia Pty Ltd                                           | * | Ordinary       | 100          |   | Australia                   | 43             |
| ERM Australia Consultants Pty Ltd                                        | * | Ordinary       | 100          |   | Australia                   | 43             |
| Point Advisory Pty Ltd                                                   | * | Ordinary       | 100          |   | Australia                   | 43             |
| The Big Middle Pty Ltd                                                   | * | Ordinary       | 100          |   | Australia                   | 43             |
| The Big Zero Australia Pty Ltd                                           | * | Ordinary       | 100          |   | Australia                   | 43             |
| The Big Zero Pty Ltd                                                     | * | Ordinary       | 100          |   | Australia                   | 43             |
| ERM (Shanghai) Limited                                                   | * | Ordinary       | 100          |   | China                       | 44             |
| ERM CVS (Shanghai) Limited                                               | * | Ordinary       | 100          |   | China                       | 44             |
| ERM China (Holdings) Limited                                             | * | Ordinary       | 100          |   | Hong Kong                   | 45             |
| ERM-China Limited                                                        | * | Ordinary       | 100          |   | Hong Kong                   | 45             |
| ERM-Hong Kong, Limited                                                   | * | Ordinary       | 100          |   | Hong Kong                   | 45             |
| ERM India Private Limited                                                | * | Equity         | 100          |   | India                       | 46             |
| PT CSA Global Indonesia                                                  | * | Ordinary       | 100          |   | Indonesia                   | 47             |
| PT. ERM Indonesia                                                        | * | Ordinary       | 100          |   | Indonesia                   | 47             |
| ERM Japan Ltd.                                                           | * | Common         | 100          |   | Japan                       | 48             |
| The Renewables Consulting Group KK                                       | * | Ordinary       | 100          | 2 | Japan                       | 48             |
| ERM Sumi TRUST Consulting Limited                                        | * | Ordinary       | 65           |   | Japan                       | 49             |
| ERM Korea Limited                                                        | * | Ordinary       | 100          |   | Korea                       | 50             |
| ReachCentrum Asia Limited                                                | * | Ordinary       | 100          |   | Korea                       | 50             |
| Environmental Resources Management (M) Sdn. Bhd.                         | * | Ordinary       | 20           | 1 | Malaysia                    | 51             |
| ERM Asia Pacific (M) Sdn. Bhd.                                           | * | Ordinary       | 100          |   | Malaysia                    | 51             |
| ERM Technical Services (M) Sdn. Bhd.                                     | * | Ordinary       | 100          |   | Malaysia                    | 51             |
| ERM Myanmar Company Limited                                              | * | Ordinary       | 100          | 2 | Myanmar                     | 52             |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is consolidated as the Group has the right to exercise dominant influence over the subsidiary Board.

(2) The subsidiary is undergoing liquidation process.

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

|                                                      |   | <b>Share<br/>class</b> | <b>Holding<br/>%</b> | <b>Country of<br/>incorporation</b> | <b>Address<br/>key</b> |
|------------------------------------------------------|---|------------------------|----------------------|-------------------------------------|------------------------|
| <i>Asia Pacific (continued)</i>                      |   |                        |                      |                                     |                        |
| ERM New Zealand Limited                              | * | Ordinary A             | 100                  | New Zealand                         | 53                     |
| CSA Global (Singapore) Pte. Ltd.                     | * | Ordinary               | 100                  | Singapore                           | 54                     |
| Environmental Resources Management (S) Pte Ltd       | * | Ordinary               | 100                  | Singapore                           | 54                     |
| Environmental Resources Management Taiwan Co., Ltd   | * | Ordinary               | 100                  | Taiwan                              | 55                     |
| The Renewables Consulting Group (Taiwan) Limited     | * | Ordinary               | 100                  | Taiwan                              | 56                     |
| ERM-Siam Co., Ltd.                                   | * | Ordinary               | 49                   | Thailand                            | 57                     |
| ERM Vietnam Company Limited                          | * | Ordinary               | 100                  | Vietnam                             | 58                     |
| <i>Latin America</i>                                 |   |                        |                      |                                     |                        |
| ERM Argentina S.A.                                   | * | Ordinary               | 100                  | Argentina                           | 59                     |
| ERM Brasil Ltda.                                     | * | Quotas                 | 100                  | Brazil                              | 60                     |
| NINT - Natural Intelligence Ltda.                    | * | Quotas                 | 100                  | Brazil                              | 61                     |
| ERM-Chile S.A.                                       | * | Ordinary               | 100                  | Chile                               | 62                     |
| Environmental Resources Management Colombia Ltda.    | * | Quotas                 | 100                  | Colombia                            | 63                     |
| ERM Guyana Inc.                                      | * | Common                 | 100                  | Guyana                              | 64                     |
| ERM-Mexico, S.A. de C.V.                             | * | Common A               | 100                  | Mexico                              | 65                     |
|                                                      | * | Common B               | 100                  |                                     |                        |
| Environmental Resources Management Panama S.A.       | * | Common                 | 100                  | Panama                              | 66                     |
| ERM Peru S.A.                                        | * | Common                 | 100                  | Peru                                | 67                     |
| Environmental Resources Management Puerto Rico, Inc. | * | Common A               | 100                  | Puerto Rico                         | 68                     |
|                                                      | * | Common B               | 100                  |                                     |                        |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is consolidated as the Group has the right to exercise dominant influence over the subsidiary Board.

The companies listed below have a statutory accounting period ended on a date other than 31 March. All other Group companies have a statutory accounting period to 31 March.

|                                                   | <b>Country of<br/>incorporation</b> |
|---------------------------------------------------|-------------------------------------|
| CSA Global South Africa (Pty) Ltd                 | South Africa                        |
| ERM (Shanghai) Limited                            | China                               |
| ERM Brasil Ltda.                                  | Brazil                              |
| ERM-Chile S.A.                                    | Chile                               |
| Environmental Resources Management Colombia Ltda. | Colombia                            |
| ERM-Mexico, S.A. de C.V.                          | Mexico                              |
| ERM Peru S.A.                                     | Peru                                |
| NINT - Natural Intelligence Ltda.                 | Brazil                              |
| ERM Eurasia Limited Liability Partnership         | Kazakhstan                          |
| ERM Environmental Resources Management S.R.L.     | Romania                             |
| ERM (Senegal) SARL                                | Senegal                             |

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

As permitted by section 479A of the Companies Act 2006, the company intends to take advantage of the audit exemption in relation to the individual accounts of the following companies:

|                                         | <b>Registered<br/>number</b> |
|-----------------------------------------|------------------------------|
| CSA Global (UK) Limited                 | 06506117                     |
| ERM-Asia Pacific Holdings, Limited      | 03067139                     |
| ERM Eurasia Limited                     | 02451345                     |
| ERM International Services Limited      | 03771741                     |
| ERM (Overseas Holdings) Limited         | 03698847                     |
| SustainAbility Limited                  | 02108210                     |
| MarineSpace Limited                     | 05945946                     |
| The Renewables Consulting Group Limited | 08809841                     |

The registered office addresses for the subsidiaries are set out below, with reference to the 'address key' in the preceding tables:

| <b>Address key</b> | <b>Address</b>                                                                                                         |
|--------------------|------------------------------------------------------------------------------------------------------------------------|
| 1                  | 850 New Burton Road, Suite 201, Dover, Delaware, 19904, United States                                                  |
| 2                  | 900-885 West Georgia Street, Vancouver, British Columbia V6C 3H1, Canada                                               |
| 3                  | 25 E. 8th Street, Suite 220, Holland MI 49423, United States                                                           |
| 4                  | 840 West Sam Houston Parkway North, Suite 600, Houston, Texas 77024, United States                                     |
| 5                  | 75 Valley Stream Parkway, Suite 200, Malvern, Pennsylvania 19355, United States                                        |
| 6                  | 900 E. Benson Blvd., Suite 480, , Anchorage, AK 99508, United States                                                   |
| 7                  | 1155 Perimeter Center, West Suite 1100, Atlanta GA 30338, United States                                                |
| 8                  | One Beacon Street, 5th Floor, Boston, Massachusetts, 02108, United States                                              |
| 9                  | 1105 N. Market Street, Suite 1300, Wilmington, Delaware 19801, United States                                           |
| 10                 | 300 West Summit Avenue, Suite 330, Charlotte NC 28203, United States                                                   |
| 11                 | 111 E Jackson Ave suite 201, East Jackson Avenue, Knoxville, Knox County TN 37915, United States                       |
| 12                 | 75 Valley Stream Parkway, Suite 200, Malvern, Pennsylvania 19355, United States                                        |
| 13                 | 111 E Jackson Ave suite 201, East Jackson Avenue, Knoxville, Knox County TN 37915, United States                       |
| 14                 | Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EB, United Kingdom                                           |
| 15                 | 1 More London Place, London, England, SE1 2AF, United Kingdom                                                          |
| 16                 | 2nd Floor Exchequer Court, 33 St Mary Axe, London EC3A 8AA, United Kingdom                                             |
| 17                 | 18 Carden Place, Aberdeen, Scotland, AB10 1UQ, United Kingdom                                                          |
| 18                 | 3rd Floor, Central Gate, Cantersteen 47, Brussels, 1000, Belgium                                                       |
| 19                 | Catharijnesingel 47, 3511 GC, Utrecht, UT, Netherlands                                                                 |
| 20                 | Business Center Winghouse, 73 Ørestads Boulevard, 2300, København, Denmark                                             |
| 21                 | 13 Rue Faidherbe, Paris, 75011, France                                                                                 |
| 22                 | Siemensstrasse 9, Neu-Isenburg, 63263, Germany                                                                         |
| 23                 | PwC Tower, A4 Rangoon Lane, Cantonments City, PMB CT42, Cantonments, Accra, Ghana                                      |
| 24                 | D5 Nutgrove Office Park, Dublin 14, D14 X343, Ireland                                                                  |
| 25                 | Via San Gregorio 38, Milan, 20124, Italy                                                                               |
| 26                 | Office 709, 86 Gogol str., Almaty, 050000, Republic of Kazakhstan                                                      |
| 27                 | c/- Ikigai Lavington, 2nd Floor, JGO Building, L.R. NO.3734/173, 90 James Gichuru Road, Nairobi, Nairobi County, Kenya |
| 28                 | Torres Rani, Av da Marginal, Lote Nr 141, 6 Andar, Maputo, Mozambique                                                  |
| 29                 | Arthur van Schendelstraat 460, Utrecht, 3511 MJ, Netherlands                                                           |
| 30                 | 33 Ogunlowo Street, Off Obafemi Awolowo Way, Ikeja, Lagos, Nigeria                                                     |
| 31                 | Bygg D, Andoyfaret 33, Kristiansand, 4623, Norway                                                                      |

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

| Address key | Address                                                                                                                                                                                             |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 32          | Colletts gate 7, 0169 OSLO, Norway                                                                                                                                                                  |
| 33          | Ul. Chmielna 134, Warsaw, 00-805, Poland                                                                                                                                                            |
| 34          | Avenida da República, 6, 1.º Esq, 1050-191, Lisboa, Portugal                                                                                                                                        |
| 35          | 145 Calea Victoriei, 7th Level (8th Floor), Sector 1, Bucharest, 010072, Romania                                                                                                                    |
| 36          | AZUR 15 Building, 12, Boulevard Djily MBAYE, Dakar, BP 50555, Senegal                                                                                                                               |
| 37          | 240 Main Road, 1st Floor Great Westerford, Rondebosch, Western Cape, 7700, South Africa                                                                                                             |
| 38          | Building 32, The Woodlands Office Park, Woodlands Drive, Woodmead, Johannesburg, 2148, South Africa                                                                                                 |
| 39          | The Great Westerford, First Floor, 240 Main Road, Rondebosch, Cape Town, Western Cape, 7700, ZA                                                                                                     |
| 40          | Paseo de la Castellana 257, 2ª planta, 28046, Madrid, Spain                                                                                                                                         |
| 41          | Techno-Pole 4, Sierre, 3960, Switzerland                                                                                                                                                            |
| 42          | Amani Place, 7th Floor, Ohio Street, Dar es Salaam, Tanzania                                                                                                                                        |
| 43          | Level 14/207 Kent Street, Sydney NSW 2000, Australia                                                                                                                                                |
| 44          | Suite 2005 Litong Plaza, No.1350 Sichuan North Road, Shanghai, 200080, China                                                                                                                        |
| 45          | Flat/RM 2509, 25/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Hong Kong                                                                                                                       |
| 46          | B-1/flat no-1770, Vasant Kunj, New Delhi, 110070, India                                                                                                                                             |
| 47          | Sinarmas MSIG Tower, 37th Floor Unit 37-124, Jalan Jend. Sudirman Kav. 21, RT.10/RW.1, Kuningan, Karet, Kacamantan Setiabudi, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta, 12920, Indonesia |
| 48          | Landmark Tower 19F, 2-2-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa 220-8119, Japan                                                                                                                 |
| 49          | 1F-3F, Otemachi Building, Chiyoda-ku, Tokyo, Japan                                                                                                                                                  |
| 50          | 12F Samhwa Tower, 16, Eulji-ro 5-gil, Jung-gu, Seoul, Korea                                                                                                                                         |
| 51          | 52, 1st Floor, Jalan SS 21/58, Damansara Utama, Petaling Jaya, Selangor Darul Ehsan 47400, Malaysia                                                                                                 |
| 52          | Room 408 (A), 4th Floor, Prime Hill Business Square, No. 60, Shwe Dagon Pagoda Road, Dagon Township, Yangon, Yangon (West), Yangon Region, Myanmar                                                  |
| 53          | MinterEllisonRuddWatts, Level 22, PwC Tower, 15 Customs Street West, Auckland Central, Auckland, 1010, New Zealand                                                                                  |
| 54          | 88 Market Street, #40-16 CapitaSpring, 048948, Singapore                                                                                                                                            |
| 55          | 11F, No.223, Songjiang Rd, Zhongshan District, Taipei City, Taiwan                                                                                                                                  |
| 56          | Taipei 101 Tower Level 37, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan                                                                                                                                |
| 57          | 179 Bangkok City Tower, 24th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120, Thailand                                                                                             |
| 58          | 7th Floor, Saigon Finance Center, 9 Dinh Tien Hoang Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam                                                                                       |
| 59          | Av. Cabildo 2677 Piso 6, Buenos Aires, C1428AAI, Argentina                                                                                                                                          |
| 60          | Avenida Luis Carlos Berrini, 105 – 17º andar - cj. 171, Cidade Monções, São Paulo/SP, Brazil, 04571-010                                                                                             |
| 61          | Rua Lauro Müller, Rio de Janeiro, RJ, 22290-160, Brazil                                                                                                                                             |
| 62          | Cruz del Sur 133 of, 802 Las Condes, Santiago, Chile                                                                                                                                                |
| 63          | Cra 16 No 93A-36 Piso 6, Bogota, Colombia                                                                                                                                                           |
| 64          | Lot 210 New Market Street, Georgetown, Guyana                                                                                                                                                       |
| 65          | Mariano Escobedo #476, 13th floor, Colonia Nueva Anzures, Mexico City, 11590, Mexico                                                                                                                |
| 66          | Century Tower, Piso 17, Oficina 1705, Via Ricardo J. Alfaro, Panama City, 0832-0588, Panama                                                                                                         |
| 67          | Calle Las Orquideas 675, Interior 402, San Isidro, Lima, 27, Peru                                                                                                                                   |
| 68          | G-8 O'Neill St, San Juan, PR, 00918, Puerto Rico                                                                                                                                                    |

### 28. Non-controlling interests

The non-controlling interest relates to The Renewables Consulting Group (Nordic) AS.

|                                       | 2024     | 2023       |
|---------------------------------------|----------|------------|
| Cost and carrying amount              | \$000    | \$000      |
| At 1 April                            | (7)      | (10)       |
| Share of retained profit for the year | 7        | 3          |
| <b>At 31 March</b>                    | <b>-</b> | <b>(7)</b> |

## Notes to the financial statements

### 29. Ultimate parent company

The parent and ultimate parent company is Nature Topco UK Limited, a limited company registered in England and Wales. The smallest group within which the results of the Company are consolidated is The ERM International Group Limited, and the largest group with which the results of the Company are consolidated is Nature Topco UK Limited. The consolidated financial statements of Nature Topco UK Limited are available to the public and can be obtained from their registered address at 11th Floor 200 Aldersgate Street, London, England, EC1A 4HD.

As at 31 March 2024, the shareholdings in The ERM International Group Limited are held 68.45% by Nature Topco UK Limited and 31.55% by ERM management (comprised of approximately 703 individual shareholders). The shareholdings of Nature Topco UK Limited are held 50.03% by KKR Patagonia Aggregator L.P., 39.97% by KKR Core Investor (L) SCSp (both of which are ultimately controlled by KKR & Co. Inc, a Delaware corporation publicly listed on the New York Stock Exchange), 10.00% by Alba-KKR Core International SCA (a Luxembourg partnership limited by shares), and a nominal shareholding is held by the ERM Group Employee Benefit Trust.

### 30. Events since the balance sheet date

On 30 May 2024, ERM Emilion Australia Pty Ltd entered into an agreement to purchase 100% of the share capital of Energetics Group Holdings Pty. Limited for initial cash consideration of AUD 20,000,000. ERM have submitted an investment proposal to the Australian Government Foreign Investment Review Board ("FIRB") and await their decision on approval of the sale. The deal will not be complete until this approval to proceed is granted; this is expected in July 2024. There are several other pre-completion conditions to be satisfied that are being worked on between ERM and the sellers.

Deferred payments of up to AUD 2,500,000 are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met.

By acquiring Energetics, ERM will further strengthen its position as the leading climate change advisory business in Australia and New Zealand, with a team of over 150 people. By adding 100 consultants and specialists to ERM's circa 520 people in Australia, ERM strengthens its position as a leader in sustainability consulting in the region, offering clients strategic advice and practical, on-the-ground implementation expertise.

# **The ERM International Group Limited**

## **Annual Report and Financial Statements**

31 March 2025

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## Corporate information

### Directors

|                         |                                                  |
|-------------------------|--------------------------------------------------|
| Thomas Reichert         | Chief Executive Officer                          |
| Timothy Strawn          | Regional Chief Executive Officer                 |
| David McArthur          | Strategic Advisor                                |
| Sabine Hoefnagel        | Global Leader of Sustainability and Risk         |
| Susan Angyal            | Regional Chief Executive Officer                 |
| Rami Bibi               | Non-executive Director                           |
| Tomás Hevia Armengol    | Non-executive Director                           |
| Mattia Caprioli         | Non-executive Director                           |
| Lars Kolks              | Non-executive Director                           |
| Sir Roger Carr          | Non-executive Director (appointed 30 July 2025)  |
| Juan De Ochoa Panisello | Non-executive Director (appointed 04 March 2025) |

### Secretary

|                |                 |
|----------------|-----------------|
| Angela Mullany | General Counsel |
|----------------|-----------------|

### Auditor

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

### Banker

HSBC UK Bank Plc  
London Commercial Banking Centre  
Level 6  
71 Queen Victoria Street  
London  
EC4V 4AY

### Registered office

2nd Floor  
Exchequer Court  
33 St Mary Axe  
London  
EC3A 8AA

## Strategic report

A strategic, financial and operational review for the ERM group of companies, being The ERM International Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 March 2025 (“FY25”) is set out below.

### Principal activities

ERM is the market leading global pure play sustainability consultancy delivering a full suite of services across the sustainability spectrum. This includes the provision of sustainability & climate change, safety and digital services to clients. ERM works with both private and public sector clients to deliver sustainable outcomes to complex environmental and related issues.

### Business review

In the income statement the Group reported FY25 gross revenue of \$1,413 million (year ended 31 March 2024 (“FY24”): \$1,380 million); FY25 operating profit before amortisation and impairment of intangibles and net transaction costs of \$144 million (FY24: \$145 million); and FY25 operating profit (after amortisation and impairment of intangibles and net transaction credit) of \$47 million (FY24: loss of \$22 million). The Group generated strong operating cash flow of \$149 million (pre income taxes) during the financial year (FY24: \$173 million) and held \$157 million of cash at 31 March 2025 (FY24: \$193 million). The Business Review that follows references trading results which are key performance indicators used by management to monitor the performance of the business. Please refer to the summary results section for a reconciliation of trading results to statutory measures.

The group showed continued growth and resilience in FY25 with trading net revenue growth of 3% and trading earnings before interest, tax, depreciation, amortisation, impairment and net transaction costs (“trading EBITDA”) growth of 7% in the year. Political and business uncertainty in North America, subdued M&A activity and changing disclosure requirements in Europe all contributed to lower growth in FY25 than experienced in previous years. However, given the broad diversification of the Group we remain confident in our market position. The Group had limited exposure to public sector clients in the United States.

Whilst market headwinds are likely to continue through the year ended 31 March 2026 (“FY26”), continued demand for foundational services supporting capital projects delivery and liability portfolio management and remediation services are expected to underpin trading net revenue and trading EBITDA growth. This optimism is supported by growth in our sales backlog in FY25. To further bolster our future performance, we are continuing to drive a set of strategic initiatives designed to support scalable, profitable growth. These transformational activities span commercial excellence initiatives, cost efficiency activity and driving artificial intelligence (“AI”) and technology adoption across the business.

Full-time equivalent (“FTE”) employees increased by 320 during FY25, including 88 who joined the Group via acquisition (see below), ending the year at 7,601. The average number of FTE employees decreased from 7,463 in FY24 to 7,404 in FY25.

Partners in ERM are our senior management level leaders. We hired 28 Partners during FY25. We also promoted 27 Partners from our Path to Partnership programme and brought in 7 Partners through an acquisition. We ended the year with 744 Partners, which provides us with a strong platform to grow the business over the medium-term.

*Sustainability:* We continue to play a leading role in the global sustainability agenda, as described on page 5. Our Non-Financial and Sustainability Information Statement can be found on pages 11-25 of this report.

*Acquisitions:* On 31 July 2024, ERM Emilion Australia Pty Ltd, a subsidiary in the Group, completed the acquisition of Energetics Group Holdings Pty. Limited and its subsidiary Energetics Pty Ltd (together, “Energetics”). The transaction was conducted via the acquisition of 100% of the issued shares in Energetics Group Holdings Pty. Limited.

Energetics strengthens ERM's position as the leading climate change advisory business in Australia and New Zealand, adding depth and strength to the following existing services: sustainability strategy & climate risk; decarbonization technologies and sustainable energy solutions; energy accounting and reporting; and energy and carbon markets. In addition, acquiring Energetics expands the ERM offer to include financial quantification for climate risk assessment and an Australian Financial Services License to enhance our carbon markets offering. See note 14 for further details.

On 30 December 2024, Environmental Resources Management, Inc. a subsidiary in the Group, entered into an agreement to acquire the environmental division of the NewFields group of companies (“NewFields”). Following the satisfaction of closing conditions, the acquisition was completed on 1 April 2025 through the purchase of 100% of the issued and outstanding membership interests in NewFields Environmental Holdco, LLC.

## Strategic report

### Business review (continued)

The acquisition strengthens ERM's position as a market leader in Liability Portfolio Management and Remediation ("LPMR") services, adding approximately 110 specialists, including 10 Partners, to ERM's 600-person North American LPMR team. This enhanced capability will further support ERM's clients in managing environmental risks and legacy liabilities.

### Summary results

The financial statements are presented in accordance with International Financial Reporting Standards as adopted by the IASB ("Adopted IFRSs"). The Group reported FY25 net revenue of \$1,137 million (FY24: \$1,116 million) and an operating profit of \$47 million (FY24: operating loss of \$22 million). Operating profit / (loss) is a statutory measure and is stated after amortisation and impairment of intangible assets and net transaction costs.

The table below presents the net revenue and operating profit / (loss) reported in the consolidated income statement:

|                                                                                              | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 | Growth<br>% |
|----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------|
| Net revenue                                                                                  | 1,137,260                            | 1,115,561                            | 2%          |
| Operating profit before amortisation and impairment of intangibles and net transaction costs | 143,762                              | 144,986                              | -1%         |
| Amortisation and impairment of intangible assets                                             | (88,430)                             | (187,080)                            |             |
| Net transaction (costs) / credit                                                             | (8,173)                              | 19,776                               |             |
| <b>Operating profit / (loss)</b>                                                             | <b>47,159</b>                        | <b>(22,318)</b>                      |             |

The operating loss for the year ended 31 March 2024 included \$102 million impairment of goodwill and \$25 million release of an earn-out accrual in respect of a subsidiary acquired in a prior year reported within the net transaction credit. No impairment of goodwill or earn-out release was recognised during the year ended 31 March 2025.

Trading net revenue and trading EBITDA at management budgeted exchange rates are key performance indicators used by management to monitor the performance of the business. They are not presented in the statutory financial statements but are used by management to remove exchange rate fluctuations and enable true comparison of trading results to prior year. Trading net revenue and trading EBITDA exclude items that are considered to be one-off or non-trading in nature. The table below presents the summary results for the Group for FY25 compared to FY24. The budgeted exchange rates used by management during FY25 were applied to the table below for both FY25 and FY24 trading net revenue and trading EBITDA.

|                                                                                                     | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 | Growth<br>% |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|-------------|
| Trading net revenue <sup>1,2</sup>                                                                  | 1,158,975                            | 1,120,938                            | 3%          |
| Trading EBITDA <sup>1,3</sup>                                                                       | 187,247                              | 175,355                              | 7%          |
| Reconciliation to statutory accounts operating profit <sup>2</sup>                                  | (43,485)                             | (30,369)                             |             |
| <b>Operating profit before amortisation and impairment of intangibles and net transaction costs</b> | <b>143,762</b>                       | <b>144,986</b>                       |             |

1 At FY25 budgeted exchange rates.

2 See below for detailed reconciliation to the consolidated income statement.

3 Earnings before interest, tax, depreciation, amortisation, impairment and net transaction costs.

## Strategic report

### Summary results (continued)

#### Reconciliation of trading net revenue to the consolidated income statement

|                                                    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------------------------------------------|-----------------------------|-----------------------------|
|                                                    | \$000                       | \$000                       |
| Trading net revenue                                | 1,158,975                   | 1,120,938                   |
| Retranslation from budget to actual exchange rates | (20,037)                    | (4,650)                     |
| Other income <sup>1</sup>                          | (1,678)                     | (727)                       |
| Total reconciling items                            | (21,715)                    | (5,377)                     |
| <b>Net revenue per the income statement</b>        | <b>1,137,260</b>            | <b>1,115,561</b>            |

- 1 Certain other income is included in trading net revenue but all other income is reported separately in the statutory income statement.

#### Reconciliation of trading EBITDA to the consolidated income statement

|                                                                                                     | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                     | \$000                       | \$000                       |
| Trading EBITDA                                                                                      | 187,247                     | 175,355                     |
| Retranslation from budget to actual exchange rates                                                  | (4,802)                     | (1,612)                     |
| IFRS 16 adjustment: add back operating lease expense <sup>1</sup>                                   | 22,203                      | 20,079                      |
| IFRS 16 adjustment: deduct IFRS 16 depreciation (note 7) <sup>1</sup>                               | (19,525)                    | (18,515)                    |
| Deduct depreciation of property, plant and equipment (note 7)                                       | (9,429)                     | (9,568)                     |
| Share based payment expense (note 22) <sup>2</sup>                                                  | (10,621)                    | (8,759)                     |
| Termination costs <sup>3</sup>                                                                      | (3,477)                     | (4,207)                     |
| Strategic initiatives <sup>4</sup>                                                                  | (6,282)                     | -                           |
| Cost associated with preference share dividend payment <sup>5</sup>                                 | (3,162)                     | -                           |
| Global Partner Meeting <sup>6</sup>                                                                 | -                           | (4,140)                     |
| Investor advisory fees (note 25)                                                                    | (2,704)                     | (2,866)                     |
| Other FX (loss) / gain <sup>7</sup>                                                                 | (4,293)                     | 2,429                       |
| Other items <sup>8</sup>                                                                            | (1,393)                     | (3,210)                     |
| Total reconciling items                                                                             | (43,485)                    | (30,369)                    |
| <b>Operating profit before amortisation and impairment of intangibles and net transaction costs</b> | <b>143,762</b>              | <b>144,986</b>              |

- 1 IFRS 16 adjustments: management reporting of trading EBITDA reflects lease costs as an operating expense. For statutory reporting this operating expense is replaced with depreciation of the right-of-use-asset (note 7) and lease interest.
- 2 Share-based payment expense relating to shares issued to Partners.
- 3 Termination costs principally relate to actions announced in March 2024 to realign resources in light of changing client demands. Estimated costs were accrued in FY24 and finalised in FY25. FY25 also includes costs associated with the discontinuation of certain of our digital products.
- 4 Costs associated with strategic initiatives, including establishment of a Global Delivery Centre and implementation of an updated Transfer Pricing model.
- 5 Costs associated with preference share dividend payment of \$90 million, including professional advisor fees and a one-off bonus to partners.
- 6 Costs related to a one-off global Partner meeting, held during the prior year.
- 7 Principally retranslation of monetary assets and liabilities, including cash held by Group Treasury company. In the prior year financial statements the FX gain was disclosed within other items.
- 8 Other costs not related to trading.

## Strategic report

### Cash on hand and debt facilities

Once again, the Group had strong operating cash flow of \$149 million (pre-income taxes) in the financial year (FY24: \$173 million). The Group has adequate cash resources and banking facilities to meet its day-to-day working capital requirements.

The Group has cash on hand of \$157 million (31 March 2024: \$193 million), including cash deposited with ReachCentrum SA of \$131 million (31 March 2024: \$138 million) and cash held on behalf of government bodies of \$21 million (31 March 2024: \$21 million). Refer to note 19 for further details.

The Group's credit facilities as at 31 March 2025 consist of \$506 million USD denominated and €585 million EUR denominated first lien debt, both fully drawn. In addition, the Group holds a revolving credit facility of \$238 million. At 31 March 2025 the revolving credit facility was undrawn, although \$6.5 million of the facility was utilised as security for bank guarantees (31 March 2024: undrawn, \$4.1 million utilised as security for bank guarantees).

### Sustainability and Health and Safety

A key element of all aspects of our strategy is sustainability. Sustainability at ERM is a commitment to support socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs. As a business, we aim to create long-term shareholder value by balancing the necessary financial performance of the Group with the impact on, and the contributions we make, to the environment and society. We believe that these can, and should, be mutually beneficial and our aim is to ensure that this is the case at ERM. During FY25, we delivered in excess of 32,000 projects with clients, and delivered our ambitious sustainability programs across our global operations. We are contributing to the Sustainable Development Goals working with some of the world's leading sustainability organisations such as the World Business Council for Sustainable Development ("WBCSD"), the Principles for Responsible Investment ("PRI") and the UN Global Compact.

We are always looking at how we can reduce our own carbon footprint and take measures to help protect the world's ecosystem. We continually look for ways to reduce our energy usage across the Group and to date we are on track to meet our public commitment to reduce our carbon emissions through our targets that have been validated by the Science Based Targets Initiative (SBTi) as aligned to the Corporate Net Zero Standard, which will see us deliver net zero by 2040. Our Non-Financial and Sustainability Information Statement can be found on pages 11 to 25 of this report. We separately report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and this year will publish a full TCFD disclosure within the ERM Sustainability Report, published online annually. The 2025 report was released in July 2025.

We have reported on all of the emission sources required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition); data gathered to fulfil our requirements under the CRC Energy Efficiency scheme; and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014 to calculate these disclosures. The table on page 25 summarises FY25 carbon emissions for our UK business.

Health and Safety plays a key role in enabling ERM's 'license to operate', both internally with our staff and externally with our clients. During the financial year, we implemented a variety of ongoing improvements to our Health and Safety programmes to reduce our overall risk profile and improve performance. Key areas of improvement included:

- The launch of a new automated travel safety programme aimed at enhancing services for our travellers, improving emergency response capabilities and increasing operational efficiency.
- The development of an online Health and Safety Planning ("HASP") process that streamlines HASP creation, integrates with other ERM systems, automates the review and approval process and centralizes resulting data for improved accessibility and efficiency.
- The completion of our three-year rollout of the See.Own.Share – Beyond Hazard Recognition program, which successfully trained over 6,500 staff members engaged in activities outside of the standard office environment.
- The successful execution of Global Safety Week in October 2024, which focused on 'Connected Safety' and highlighted how ERM's safety culture enhances employee safety both at home and in the workplace.

During FY25 our UK business received their 11th consecutive Gold Medal Award from the Royal Society for the Prevention of Accidents, and the North American business received the Gold Safety Award from Highwire. These awards illustrate ERM's long-term commitment to excellence in occupational health and safety.

## Strategic report

### Corporate governance

The Board of Directors of the Group parent company, The ERM International Group Limited, is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. The Board recognises that, in conducting its business, ERM should also be responsive to clients, regulatory bodies and other relevant stakeholder groups.

The Board believes that good governance involves the clarity of roles and responsibilities and the proper utilisation of distinct skills and processes. The Board, therefore, focuses on activities that enable it to promote the interests of all shareholders, such as the active consideration and execution of long-term strategy, the monitoring of executive actions, and ongoing Board and executive management succession.

The Board governance policies and practises reflect the relevant provisions of the Wates Corporate Governance Principles for Large Private Companies (2018).

At ERM, we are shaping a sustainable future with the world's leading organisations. The purpose of the ERM Group is to create and maximise long-term value for our stakeholders (shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate) and help create a more sustainable future for our world through pursuing a strategy which offers and delivers exceptional value to our clients.

The Board reviews and, where appropriate, determines the long-term strategy and the annual budget and business plan for the Group based on proposals made by the CEO for achieving the ERM purpose. The Board develops and promotes the ERM purpose and ensures, through its decisions and actions, that the values, strategy and culture of the Group align with that purpose, to generate long-term sustainable value.

On a day-to-day basis we continue to be managed by the Executive Committee, comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, sector and client divisions of our operations, business development, people development and other professional support functions. The Executive Committee generally meets monthly. The majority of Executive Committee meetings are held by video conference to reduce our carbon footprint and our travel time and costs.

In addition, the Board has established a Risk and Reputation steering group, ERM Environmental, Social and Governance ("ESG") and Sustainability Steering Group Committee, with representatives of ERM management and our institutional shareholder KKR. The steering group has discussed and proposed to the Board positions to take on significant sustainability, geopolitical and reputation issues.

We continue to develop our risk management procedures and we take every reasonable measure to ensure that all of our staff adhere to ERM's global values and our Code of Business Conduct and Ethics.

## Strategic report

### Section 172 statement

Section 172 requires that “a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Group's employees;
- c) the need to foster the Group's business relationships with suppliers, customers and others;
- d) the impact of the Group's operations on the community and the environment;
- e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company”.

The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our shareholders and investors, management and employees, clients, suppliers and contractors, Governments, non-governmental organizations and the communities in which we operate. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

The Group comprises a number of business units (“BUs”), all of which have extensive engagement with their own unique stakeholders as well as other businesses in the Group. Please refer to page 30 for further information on corporate governance.

In performing their duty under s172, the Directors have had regard to the matters set out in s172(1) as follows:

### *The likely consequences of any decision in the long term*

Reports are regularly made to the Group Board by the Executive Directors and members of the Executive Committee about the strategy, performance and key decisions taken, which provides the Board with assurance that proper consideration is given to stakeholder interest in decision-making.

At Group level, the Board is well informed about the views of stakeholders through the regular reporting on stakeholder views; for example, the CEO and other Executive Directors regularly share feedback from clients (as key stakeholders) gained from meetings between them and senior client contacts. The Board uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board has established a Risk and Reputation steering group, ERM Environmental, Social and Governance (“ESG”) and Sustainability Steering Group Committee, with representatives of ERM management and our institutional shareholder KKR. The steering group has discussed and proposed to the Board positions to take on significant sustainability, geopolitical and reputation issues.

The Board takes a long-term approach to developing its strategy, which is to grow and build our consulting capability and presence in major markets to help clients address their sustainability challenges. We aim to achieve this through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion focuses on building deep and lasting relationships with our clients and servicing all their sustainability needs. The Board reviews the relevance of the Group's strategy annually.

The Group has established a successful track record of acquiring and integrating complimentary consulting businesses into the Group over recent years. Since April 2017, the Group has completed 28 such acquisitions in total (one during FY25 and one on 1 April 2025) bringing in the expertise of over 1,250 people. These acquisitions complement our core client offerings and expand our capability in areas that build our skills or service offerings across our geographies, to help respond to the changing needs of our clients.

Ongoing investment in improving the IT infrastructure and testing and upgrading of the Group's cyber security, including implementing a managed security detection and response service, has improved our business continuity, long-term resilience and protection of data.

## Strategic report

### *The interests of the Group's employees*

ERM provides the opportunity to be part of a purpose-driven, high-growth business where expertise creates lasting sustainability and commercial impact for our clients, for our people and for the planet.

People are at the heart of our operation. We have a strong community united by our purpose and the impact of our work. ERMers bring their whole selves and unique capabilities to develop technical and leadership skills whilst leaving a lasting imprint on society. Our ambition is to be the best place to work in the ESG and supporting sectors, and we are proud of our progress in realizing our people vision.

Our Growth and Performance Culture is a culture in which each individual is celebrated for their unique capability and finds belonging within a warm, vibrant and inclusive community. As part of their experience each person makes an impact and:

- has the opportunity to continually develop expertise and progress in their careers;
- has motivational, simple goals that translate into true impact;
- is given meaningful feedback and empowering learning tools to help them meet their goals;
- is recognized and rewarded equitably for their contribution to the success of the ERM community; and
- is empowered to do their best work, everyday, with flexible and progressive ways of working.

In this financial year, we again achieved a reduction in attrition, with voluntary turnover reducing through the year across our regions, remaining below benchmark for our industry. We achieved an overall increase in our engagement and eNPS (employee net promoter score) rate, whilst external benchmarks declined, measured by our regular pulse engagement surveys. Our collaborative engagement planning methodology helps us continuously evolve a working culture that is responsive, plays to our unique strengths and helps us deliver on opportunities to make a difference to our people. This year we were recognized as a “most loved” workplace by Newsweek, backed by the research and analysis of Best Practice Institute (BPI), and saw an increase in our Glassdoor score.

Through a progressive approach, we strive to build a demographically diverse company that reflects the communities in which we live and work, as well as a vibrant, inclusive culture in which our people can thrive and that enables the delivery of exceptional client value. Examples of FY25 accomplishments include:

- continuing to increase the ethnic diversity of our workforce;
- increased representation of women at Partner level and gender balance in our Associate Partner pipeline;
- inclusion and belonging events held globally;
- activation of mental health champions, mental health speakers and events;
- extending our new approach to better connect consultants with project work;
- investing in our Learning model, curricula and mentorship; and
- redesigning our performance, reward and recognition and benefits program.

Our vision of Talent Management is to attract, identify, engage and develop, retain and effectively assign employees to exciting work. We want our employees to have the opportunity to develop and fulfill their career aspirations. Our online career progression tool makes it easy for all employees to review available career paths, view job specifications and work with their supervisor and mentors to take a transparent and active role in assessing development to further their career aspirations.

In FY25, we nurtured 250 participants through career development programs, ran 5,000 learning programs and saw 180,000 LinkedIn learning engagements. Our people were supported by 120 talent program sponsors, 20 Partner mentors and 16 certified coaches. 1,508 ERMers were promoted in FY25.

Partner-sponsored and specialist teams collaborate to deploy the right people for the right job. These teams have access to our entire workforce, spanning different geographies and sectors, in order to meet our evolving client needs. This structure enables employees to deepen their professional experience by supporting projects worldwide.

Regular reports about what is important to our employees are made to the Board, ensuring we remain people-centric and responsive in our decision making and to support discussion of people-related topics at Board meetings. Our Employee Survey results and analyses are regularly shared with the Board as well as the progress we are making against our stated actions. We provide reporting on headcount growth, attrition with reasons for leaving and our retention priorities. This year, we activated a People Leadership and Engagement workstream as part of our transformation plan, to focus on the “make a difference” actions which support our critical line manager cohort in building and supporting ERM's culture through their day-to-day engagement with their teams.

## Strategic report

### ***The interests of the Group's employees (continued)***

The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the Executive Directors. The aim of the Committee is to establish an overall remuneration structure which promotes the long-term success of the Group and delivers the strategy, reflects a balance of fixed and variable pay, with the intent of creating a competitive total compensation package that supports attraction and retention and ensures alignment between short- and long-term incentivized performance. The Remuneration Committee meeting cadence and agenda is reflective of the reward cycle and fiscal year. The Remuneration Committee provide oversight and final approval of our bonus budget, decisioning principles and the specific salary and bonus award for Executive Directors.

We are committed to ensuring fairness and equity in our reward practices. We conduct a data driven market competitiveness review and an annual internal gender pay equity review to assess base pay for employees at the same career level and job profile within a country location. Where we find discrepancies that are not justifiable, remediation is managed through our salary process as required.

We have a mature and comprehensive Safety Management System ("SMS"), which incorporates safety-related policies, roles and responsibilities, training programs and initiatives and mechanisms to measure the effectiveness of our management approach.

### ***The need to foster the Group's business relationships with suppliers, customers and others***

Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas. We recognise the trust that our clients place in us by allowing us to work on many of their most challenging projects daily all around the world and are committed to the highest ethical behaviour and personal integrity in all our transactions and interactions.

We exercise judgment with respect to clients and third parties with whom we engage and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical and sustainability standards and to safe operations.

### ***The impact of the Group's operations on the community and the environment***

Sustainability comprehensively informs our strategic management and operational planning as a professional services business which delivers market leading sustainability consultancy advice to clients.

During FY25, ERM senior leaders engaged our Board and Executive Committee on all aspects of sustainability and ESG including the strategic implications of climate change and the low-carbon economy transition. We continue to make a significant commitment and investment in this area. We are implementing global and regional plans with our Global Industry and Service teams, Regional Leadership Teams and Account Directors across the Group to evolve our response to market demand. Our annual Sustainability Report details our wider Sustainability impacts and performance.

The ERM Foundation, established in 1995, enables ERM and its employees to provide support for non-profit organizations and social enterprises that share our commitment to creating a more sustainable and equitable world. Working across the globe, we blend grant funding, professional pro bono support and volunteering to create a lasting impact and measurable contribution to towards the UN Sustainable Development Goals ("SDGs"). Support is provided for both established and pilot projects, where we can best leverage our technical expertise.

### ***The desirability of the Group maintaining a reputation of high standards of business conduct***

Our written Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and that we comply with applicable laws and regulations. Our commitment to combat bribery and corruption is integral to how we operate and is embedded in our key systems and programs. We consistently apply our business conduct and ethics commitments across every office and activity, every day, with the active involvement and awareness of all our employees. All employees are held responsible for compliance with our Code and policies. This commitment is reflected through our business values, professional standards, staff training and internal systems and practices. These elements are essential for earning and maintaining the trust of our stakeholders, including shareholders, investors, management and employees, clients, suppliers, contractors, governments, non-governmental organizations, and the communities in which we operate.

## Strategic report

### ***The desirability of the Group maintaining a reputation of high standards of business conduct (continued)***

The Board of Directors and Executive Committee are ERM's primary governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of operations and performance. The Board sets a high standard for ethical behavior and ensures the Group complies with applicable laws and regulations. ERM maintains a global anonymous whistleblowing reporting system (Helpline) enabling individuals to report concerns regarding our business operations, including unethical business conduct, without fear of retaliation. The Helpline is available 24 hours a day, 7 days a week, via a web portal or call-in line, and supports over 18 languages. To ensure confidentiality, the system is managed by a third party provider. Reported concerns are investigated and addressed under the supervision of ERM's Chief Ethics and Compliance Officer.

### ***The need to act fairly between members of the company***

The Board recognises the critical importance of open dialogue and fair consideration of all company members. We maintain regular communication with our institutional shareholder KKR, who own approximately 67.82% of the Company's ordinary shares, and 752 current and former employee shareholders, who together own approximately 32.18% of the Company's ordinary shares. Shareholders are represented at the Board level, and employee shareholders receive regular updates via reports, calls and written communications.

In making its decision regarding the payment of the \$90 million preference share dividend during the year, the Board engaged in a thorough review and discussion of the potential impacts on the following key groups:

- **Shareholders:** The Board considered the expectations and rights of shareholders entitled to the accrued gains that have accrued on their preference shares, while also evaluating the impact of the dividend on overall shareholder value and the company's long-term strategy.
- **Employees:** The Board took into account the interests of employees, ensuring that the dividend would not compromise the company's ability to continue investing in its workforce, maintain employment levels, and offer appropriate training and development opportunities.
- **Customers:** The Board considered the continued provision of high-quality products and services, ensuring that the payment of a dividend would not adversely affect the company's ability to meet customer needs or invest in innovation and customer experience.
- **Suppliers:** The Board reviewed the company's ongoing relationships with key suppliers, ensuring that payment terms and partnership arrangements would not be negatively impacted by the dividend decision.
- **Communities and the Environment:** The Board considered the company's social and environmental responsibilities, including ongoing community engagement, sustainability initiatives, and the potential impact of the dividend on such programmes.
- **Regulators and Governance:** The Board ensured compliance with all relevant legal and regulatory requirements, maintaining a strong focus on good corporate governance throughout the process.

## Strategic report

### Non-Financial and Sustainability Information Statement

The Non-Financial and Sustainability Information Statement, produced in compliance with The Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022, is set out below.

For information relating to ERM's approach to climate and latest emissions data, please refer to our ERM Sustainability Report.

### *Governance of climate risks and opportunities*

#### *Structure*

Responsibility for the consideration of climate-related risks and opportunities is embedded throughout our corporate governance structure. As a professional services business which delivers market leading climate-related and wider sustainability consultancy to clients, consideration of climate-related risks and opportunities comprehensively informs our strategic management and operational planning.

#### *Board's oversight of climate-related risks and opportunities*

The Board of Directors of the Group parent company The ERM International Group Limited is responsible for the direction and oversight of the Group on behalf of its shareholders and is accountable to them, as owners, for all aspects of ERM's business. Further information on the role of the Board is subsequently set out in this Statement. The Board meets six to eight times per year to review performance and consider key strategic growth plans, which includes the impact of climate-related risks and opportunities on ERM's business strategy, such as our approach to accessing and capitalizing upon the market for energy transition-related services, as and when required.

Supporting the consideration of climate-related risks and opportunities is the Sustainability & Risk Steering Group, which serves as an advisory committee to the Board. It works with the Board to identify and manage risks relating to ERM's strategy, reputation, reporting and disclosures. This includes horizon scanning across evolving regulatory, client and wider stakeholder requirements and expectations to inform our positioning on sustainability issues, including identifying and managing climate-related risks to protect ERM's brand and commercial position.

#### *Management's role in assessing and managing climate-related risks and opportunities*

On a day-to-day basis, the company is managed by the Executive Committee ("ExCom"), comprised of four of the five executive directors of the business and a number of other senior Partners in executive management roles who lead geographic, service, industry and client divisions of our operations, legal, people development, sustainability & risk and other professional support functions.

The ExCom has accountability for managing business operations and generally meets monthly to discuss performance and plans in support of this. This includes ensuring that the strategic management of our climate-related risks and opportunities is being undertaken effectively to optimize current and future business performance through regional and country level planning, recruitment and remuneration, and aligned to our ability to capitalize upon climate-related opportunities for commercial growth.

The ExCom is supported by the ExCom Sustainability Working Group, which advises on all aspects of operationalizing sustainability across our value chain, including our management of climate-related risks, operational strategy, programmatic priorities, target setting and resourcing. The Working Group comprises representatives from the Board, ExCom and our Global Sustainability Director and Head of Sustainability. This Working Group has oversight and reports into ExCom on ERM's decarbonization strategy and performance against targets, which includes our net-zero and science-based targets (SBT) commitments.

To support our senior leadership, the Climate-related Financial Disclosures/Taskforce on Climate -related Financial Disclosures (CFD/TCFD) Working Group oversees the identification of climate-related risks and opportunities for the business. This Working Group comprises representatives of Risk, Sustainability, Operations, Finance, Clients and Services, who provide specialist subject matter expertise on what and how the business should respond to such risks.

### *Description of how we identify, assess and manage our principal climate related risks and opportunities*

#### *Our approach*

ERM strategically considers all aspects of potential climate-related impacts to our operations, including people, industry and service line, operational, financial, geopolitical and legal parameters, to assess potential risks and opportunities to our business.

Strategic global, regional and business unit risks and opportunities are identified through a multi-faceted approach involving ongoing market, regulatory and horizon scanning, engagement with clients and wider stakeholders, the input of our subject-matter experts and senior operational leaders across the globe and is supported by our annual Double Materiality Assessment process.

## Strategic report

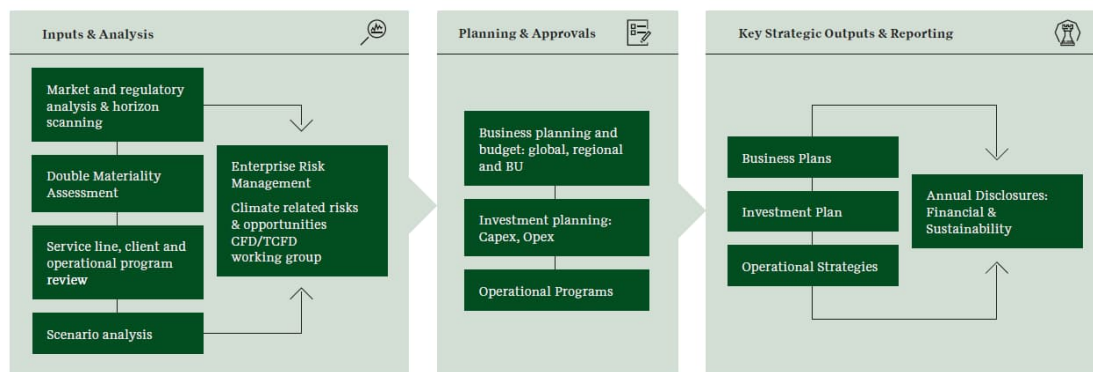
### *Description of how we identify, assess and manage our principal climate related risks and opportunities (continued)*

Supplementing this approach and consistent with the recommendations of the TCFD, a further detailed analysis and review of current or emerging climate-related risks and opportunities is undertaken annually, supported by the CFD/TCFD Working Group, working in conjunction with senior management to deliver our strategic and operational work programs. Our senior management includes regional and business unit managing partners, service and client leads. The output of this analysis supports visibility of the potential impacts across the short-, medium- and longer-term horizons and informs the content of this statement.

#### *Management of risk*

The key risks and opportunities identified are incorporated into the enterprise risk register, overseen by our Global Head of Risk, who reports to ExCom and to our Board. The register remains live and subject to ongoing review from our ExCom and Board. This informs the identification of key strategic risks and opportunities for the business and supports commercial planning, investment strategy and our operational programs.

Our approach to the identification, assessment and management of risk:



Our enterprise risk management process aligns broadly with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework, which addresses control environment, risk assessment, information and communication, monitoring, and existing control activities. This includes the integration of material climate-related issues into our risk management and our strategy. Under the oversight of our Global Head of Risk, our Risk function serves as a second-line support to help our organization deliver on our goals, anticipate and manage risks, flow risk information to decision makers and implement and continually improve risk management.

#### *Our approach to the assessment of climate related risks and opportunities*

The assessment of climate-related risks and opportunities draws upon updated scenario analysis and impact identification in support of wider strategic planning and this disclosure. This process enables the business to review potential climate-related risks and opportunities, expand understanding of where material exposures may exist and refresh the drivers and timeframes of potential impacts.

Consistent with UK Government guidance<sup>1</sup>, the assessment of impacts to our business is based on three timeframe horizons of short-term (up to 2030), medium-term (up to 2040) and longer-term (up to 2050).

These timeframe scenarios take into consideration:

- Our own decarbonization targets, operational approach, strategic commitments and business planning.
- Different time horizons for physical climate risk and the nature of such risks.
- National and international policy and regulation, and potential transition scenarios to a low-carbon economy.
- Changes in the global economy and markets we operate in.

<sup>1</sup> Task Force on Climate-related Financial Disclosure (TCFD) - aligned disclosure application guidance

## Strategic report

### *Description of how we identify, assess and manage our principal climate related risks and opportunities (continued)*

We have also considered the impacts on our own operations and services over the immediate timeframe as part of the proactive management of our operations.

The scenarios selected align with published guidance and data available from the leading international bodies and combine qualitative and quantified measures of development alongside climate data to create plausible scenarios for how quickly society can curb emissions.

Physical scenarios and associated time horizons selected for ERM's Scenario Analysis

|               | Shared Socioeconomic Pathway (SSP) 1 – 2.6                                                                                                                                            | Shared Socioeconomic Pathway (SSP) 5 - 8.5                                                                                                                                                   |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Source        | Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6 (AR6) and Shared Socioeconomic Pathways (SSP).                                                                   |                                                                                                                                                                                              |
| Description   | Referred to as a lower-emissions scenario, this scenario projects warming to remain below 2 degrees Celsius by 2100, and is aligned to current commitments under the Paris Agreement. | A high-emissions scenario, which follows a business-as-usual trajectory and assumes limited additional climate policy or regulation, resulting in carbon dioxide emissions tripling by 2100. |
| Time horizons | The impact of these two physical scenarios is assessed across short, medium and longer-term timeframes.                                                                               |                                                                                                                                                                                              |

To assess trends related to the transition to a low-carbon economy, we use information from the Network for Greening the Financial System (NGFS) which sets out a range of hypothetical long-term scenarios around the speed and nature of the low-carbon economy transition. These scenarios consider how climate change (physical risk) and climate policy and technology trends (transition risk) could evolve in different futures, under both higher and lower risk outcomes<sup>2</sup>.

Transition scenarios and associated time horizons, selected for ERM's Scenario Analysis

| Transition Scenarios          |                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Orderly Scenario              | This scenario assumes that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued. Broadly aligned to the lower emissions IPCC/SSP scenario.                                                                            |
| Disorderly Scenario           | This scenario assumes higher transition risk due to policies being delayed or divergent across countries and sectors. Broadly aligned to the lower emissions IPCC/SSP scenario.                                                                                                                       |
| Hot House World               | This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts. Broadly aligned to the high emissions IPCC/SSP scenario. |
| Too Little, Too Late Scenario | This scenario assumes that a late and uncoordinated transition fails to limit physical risks. Broadly aligned to the high emissions IPCC/SSP scenario.                                                                                                                                                |

### *Surety of assessment*

As per previous analyses, the greatest level of surety exists around the short-term scenario planning and identification of potential climate-related risks and opportunities for our business. As the scenarios progress towards our medium- and longer-term timeframe of up to 2040 and 2050 respectively, the analysis represents horizon scanning taking into consideration the different physical and transition scenarios outlined by IPCC/SSP and NGFS. This horizon scanning considers the projected impacts of ongoing climatic change on the physical environment within which we operate, the potential need and capacity to adapt to such changes across our geographical operations and the potential evolution of the market and client demand, in so far as these can be discerned as we look ahead to mid-century and beyond.

<sup>2</sup> NGFS Scenarios Portal

## Strategic report

### *Description of how we identify, assess and manage our principal climate related risks and opportunities (continued)*

Summary of three timeframe scenarios for assessment

| Scenario    | Timeframe    | Context                                                                                                                                                                                                                                                                                                                                                               |
|-------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Short-term  | Up to 2030   | Representing our short-term planning scenario. Taking into consideration our Business Strategy, current operational plans, Decarbonization Strategy and our SBTi 2028 & 2030 emissions reductions targets. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2030. |
| Medium-term | Towards 2040 | Representing our medium-term planning scenario and aligning to our SBTi 2040 net-zero target. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2040.                                                                                                              |
| Long-term   | Towards 2050 | Representing our longer-term planning scenario, beyond our current business strategy and operational planning, as well as SBTi targets. Considers the impact of both potential lower and higher emissions physical risk IPCC/SSP scenarios, and the range of NGFS transition scenarios up to 2050.                                                                    |

#### *Impact assessment parameters and financial materiality*

To support our analysis, we have assessed differing parameters by which climate related risks or opportunities may impact our business, these include:

- point of impact on our operations;
- whether the impact is realized now (actual) or potential;
- the likely duration of impact;
- the geographical scope of our operations impacted and potential variation within this;
- the estimated magnitude of potential impact to our operations;
- the probability of potential impacts being realized; and
- whether mitigation is possible and what this may look like.

The consideration of these impact parameters informs the analysis of the financial implications of the identified residual risks and opportunities. This is assessed through consideration of:

- The cost of required mitigation and/or enhancement of the identified risk or opportunity respectively – this is assessed as a capex/opex cost and considered in the context of our overall investment strategy and operational budgets. This is rated as low, medium, or high in terms of financial cost and impact on our business.
- The potential impact to our revenue generation and profitability of the residual risk or opportunity post mitigation/enhancement. This is considered in the context of overall current and projected growth of the business and rated as low, medium, or high in terms of financial impact and either positive or negative subject to whether this is generation/value creation or extraction.

Based on this analysis, an assessment is made on the projected financial impact of the risk or opportunity against each of the scenarios timeframes – immediate to short-term and medium to long-term. A final determination is then made of whether the identified risks and opportunities are currently regarded as material to our business or not, with accompanying narrative. Where we anticipate materiality to change over timeframes, this is also noted.

## Strategic report

### Principal climate-related risks and opportunities for our business

The list of climate related risks and opportunities considered in this year's assessment, is provided below.

| Category                          | Climate-related risks and opportunities                                                                                                         |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Markets                           | Changing customer/client behavior influencing market demand for our services                                                                    |
|                                   | Access to new markets                                                                                                                           |
| Policy and regulatory environment | Increased cost of GHG emissions abatement                                                                                                       |
|                                   | Enhanced GCG emissions reporting obligations in some jurisdictions, with removal of GHG emissions reporting requirements in other jurisdictions |
|                                   | Increased costs and/or reduced demand for products and services resulting from fines and judgements                                             |
|                                   | Mandates on and regulation of existing products and services                                                                                    |
|                                   | Geo-political instability and/or impact to decarbonization, clean energy and disclosure policy, tax regimes, and regulation                     |
|                                   | Exposure to litigation, directly or through clients                                                                                             |
| Technology                        | Technology, digital and AI investment required to meet evolving client needs                                                                    |
| Reputation                        | Shifts in consumer preferences and expectations                                                                                                 |
|                                   | Changing investment in climate-exposed assets and products                                                                                      |
|                                   | Increased stakeholder concern or negative stakeholder feedback                                                                                  |
| Physical risks (acute)            | Increased frequency and severity of extreme weather events such as cyclones, wildfires and floods                                               |
| Physical risks (chronic)          | Changes in precipitation patterns and extreme variability in weather patterns                                                                   |
|                                   | Rising mean temperatures                                                                                                                        |
|                                   | Rising sea levels                                                                                                                               |
| Resource efficiency               | Use of more efficient modes of transport                                                                                                        |
|                                   | Use of recycling, circular use of materials                                                                                                     |
|                                   | Move to more efficient buildings                                                                                                                |
|                                   | Reduced water usage and consumption                                                                                                             |
| Energy sources                    | Use of lower-emission sources of energy                                                                                                         |
|                                   | Use of supportive policy and financial incentives                                                                                               |
|                                   | Use of new technologies to manage energy efficiency                                                                                             |
| Resilience                        | Resource substitutes/diversification                                                                                                            |

The summary of this year's assessment findings on our principal material climate-related risks and opportunities is set out in the next section. To note, the assessment is reviewed on an annual basis and updates will be reported each year in this statement to accompany our annual financial reporting.

## Strategic report

*Principal climate-related risks and opportunities for our business (continued)*

| Topic                                                                          | Potential financial impact                                                          | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040 | Long-term: towards 2050 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Market Drivers</b>                                                          |                                                                                     |                     |                        |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Changing customer / client behavior influencing market demand for our services | Change in demand for climate-related services and transition of high carbon sectors | Opportunity         | Material               | Material                | Material                | Our business is predicated on providing professional services to enhance sustainability performance in our client base. We see the demand for such services as continuing to escalate and therefore as presenting a material opportunity. Our geographical scope, breadth of technical expertise and ability to diversify our service offering in anticipation of/response to client need, positions us well to capitalize upon this market opportunity. Changing policy, regulatory, disclosures and investment requirements are impacting business investment in some markets, causing fluctuation in demand within the immediate to short-term timeframe. This is not expected to be sustained in the medium-term as we progress towards 2040, when the urgency of addressing climate change further intensifies. Longer-term, in so far as it is possible to discern the potential market towards 2050, it is anticipated that the demand for climate-related services will evolve to support businesses in sustaining their low-carbon operational impact post transition in the 'orderly' and 'disorderly' transition scenarios, and to support operational adaptation to climate change in the event of the 'hot house world' or 'too little, too late' scenarios. |
|                                                                                | Decline of spend for activities within sectors that cannot transition               | Risk                | Decreasingly Material  | Not Material            | Not Material            | Our business supports our client base in transitioning to a low-carbon future, including working with those currently in more carbon intensive industries who are seeking to make this transition. Under both 'orderly' and 'disorderly' transition scenarios, we anticipate that the demand for transition support will continue, albeit at a potentially slower rate in some geographies within the immediate to short-term timeframe up to 2030, but with accelerated demand as we move to the medium- to longer-term timeframes, as the urgency of addressing or abating climatic change further intensifies. Our business model is predicated on shifting away from those projects/activities which do not support transition to a low-carbon future. As such, the potential future state decline of activities within sectors that cannot transition represents an increasingly diminishing financial impact to our business, even under the 'hot house world' or 'too little, too late' transition scenarios.                                                                                                                                                                                                                                                      |

## Strategic report

### *Principal climate-related risks and opportunities for our business (continued)*

| Topic                                                                 | Potential financial impact                                              | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040 | Long-term: towards 2050 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Changing customer behavior influencing market demand for our services | Retirement of high carbon production assets                             | Opportunity         | Material               | Material                | Decreasingly Material   | We are already supporting clients with the divestment or closure of high-carbon assets worldwide and predict the demand for services will vary across geographies but generally be sustained globally. We have a strong and growing service line which supports the transition of assets to facilitate renewable energy generation. Whilst it is recognized that investment in clean energy at federal level is being reduced in the immediate to short-term within the US, it is being sustained or increased on private land in the US and generally in other geographies, and it is anticipated that demand will increase and become global in scope in the medium- to longer-term horizon under both the 'orderly' and 'disorderly' transition scenarios, and to a lesser extent within the 'hot house world' transition scenario. Anticipating this demand, we have and will continue to cater service line development and team capacity to meet this demand and view this as a financially material opportunity for the business.                                                                                                                                                                                                                         |
|                                                                       | Increase in demand for low carbon infrastructure, products and services | Opportunity         | Material               | Material                | Material                | The business is already seeing the demand for low-carbon infrastructure, products and services materializing and we anticipate a sustained increase in the demand for our professional services in support of this, for both 'orderly' and 'disorderly' transition scenarios. In either scenario, we anticipate that client demand will further increase in the run up to key global decarbonization milestones, followed by demand for ongoing support to continue to sustain low-carbon operations and adapt to climatic change which will have already materialized. In the hot house world transition scenario, reflecting the potential for critical international net-zero targets to be missed, there will be renewed urgency for businesses to decarbonize their operations to prevent even further climatic change. Across scenarios, this represents a financially material opportunity for the business and one which we have strategically positioned ourselves to capitalize upon through capacity building across our operational geographies. This includes acquisition of specialist capacity which has and further can significantly enhance our ability to meet ever increasing client demand and further capitalize upon our market presence. |

## Strategic report

### *Principal climate-related risks and opportunities for our business (continued)*

| Topic                                                                                              | Potential financial impact                                                                                    | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040 | Long-term: towards 2050 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Access to new markets                                                                              | Increased revenues through access to new and emerging markets (e.g., partnerships with governments, banks)    | Opportunity         | Material               | Material                | Material                | Our business strategy includes investment in strategic partnerships which bolster our capacity to access or enhance our position in emerging markets globally and materially increase revenue generation. Emergent markets for climate-related services represent a financially material opportunity to the business both now and in future state across all transition scenarios. As with aforementioned opportunities, we anticipate this opportunity will be sustained and demand accelerate as we progress towards 2040 and through to 2050 as the urgency of addressing and then adapting to climate change further intensifies.                                           |
| <b>Policy and regulatory environment</b>                                                           |                                                                                                               |                     |                        |                         |                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Increased cost of GHG emissions                                                                    | Increased demand for carbon trading and beyond value chain mitigation within client base                      | Opportunity         | Material               | Material                | Material                | Key to our business strategy is a dual approach of acquisitions and service line development to meet the current and anticipated evolving market demand for carbon trading and beyond value chain mitigation. ERM Climate Markets is our business line which supports clients to mitigate their unabated emissions through investment in high-quality carbon credits that support their broader net-zero and sustainability goals. The demand for these services is already evident and anticipated to increase across scenarios and presents a financially material impact to the business.                                                                                    |
| Increased costs and/or reduced demand for products and services resulting from fines and judgments | Increased costs and/or demand for products and services resulting from fines and judgments within client base | Opportunity         | Material               | Material                | Material                | We provide specialist support to our clients to enable them to meet current and future state regulatory requirements and enhance the sustainability of their operations. This serves to bolster their ability to meet stakeholder requirements and reduce their exposure to potential fines and judgments in any transition and time scenario. The provision of services to operationalize sustainability in our clients is a commercial opportunity for us, which is material in terms of financial impact. Our strategy is to continue to invest in technical expertise and technology enablement to support our service delivery and escalating market need in this context. |

## Strategic report

*Principal climate-related risks and opportunities for our business (continued)*

| Topic                                                                                                                       | Potential financial impact                                                              | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040 | Long-term: towards 2050 | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------|------------------------|-------------------------|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Geo-political instability and/or impact to decarbonization, clean energy and disclosure policy, tax regimes, and regulation | Slowdown in climate-regulation caused by geopolitical conflict and/or economic downturn | Opportunity         | Material               | Material                | Material                | We support our client base to pre-empt regulatory requirements and enhance the surety of their ability/capacity to address current and future challenges. Clients are determining their own approach and scale of ambition in the face of growing regulatory complexity and uncertainty in and across geographies/jurisdictions. For some clients, regulatory slowdown presents opportunities for competitive advantage and we are commissioned to support their ability to capitalize upon this potential. For other clients, we support their recalibration of approach and implementation of business strategy. We provide support across the range of client positioning and this is, therefore, a financially material opportunity for the business and one which we anticipate will be sustained in the future, particularly in the immediate and medium-term scenarios, as stakeholder pressure to deliver net-zero is anticipated to escalate across geographies. This applies in particular within the 'orderly' and 'disorderly' transition scenarios.                                                                                                                                                                                                                                  |
| Exposure to litigation                                                                                                      | Impact to client strategy and demand for advisory services                              | Opportunity         | Material               | Material                | Material                | In recent years, across the globe but particularly in developed economies, there has been an increase in stakeholder led litigation, as stakeholder scrutiny of corporate performance has evolved into direct legal challenge, with both the efficacy of transition planning and compatibility of corporate investment with climate regulatory frameworks presenting two central foci for litigation. Whilst the change in strategic direction in the US may impact the scale and immediacy of litigation in this jurisdiction, the threat of stakeholder litigation remains real in geographies such as Europe, where stakeholder pressure is significant. We anticipate this trend to continue with escalation anticipated across our scenario timeframes as the drive for net-zero gains ever increasing urgency and societal scrutiny intensifies. In the event that 'orderly' transition is not realized, the potential for litigation may significantly increase. We already see our client base responding to this trend and anticipate ongoing increase in demand for our services to support pre-emptive measures to mitigate litigation. We view this as a financially material opportunity for the business, with ongoing review of specialist capacity being critical to meet demand. |

## Strategic report

### Principal climate-related risks and opportunities for our business (continued)

| Topic                                                                        | Potential financial impact                                                                                                | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040  | Long-term: towards 2050  | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|--------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Technology</b>                                                            |                                                                                                                           |                     |                        |                          |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Technology, digital and AI investment required to meet evolving client needs | Capital investments and capability building to address client need & market opportunity for technology services to client | Opportunity         | Material               | Material                 | Material                 | The business has been strategically investing in technological advancements which support our diversification of services to meet evolving client demand, key amongst which is investment in technology which supports ever increasing data management and disclosure requirements. Our technology portfolio includes an array of products directly created to meet identified needs and positions us strongly to capitalize upon growing market demand. This is augmented by commercial partnerships with many third-party digital providers. We are also investing in building capability within our workforce to support our transition to ever increasing use of technology, including AI, within our service delivery to clients. Across all scenario planning, this represents a financially material opportunity for the business across all transition and time scenarios.                                                                                                                                                                                                                                                                                               |
| <b>Resilience</b>                                                            |                                                                                                                           |                     |                        |                          |                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Resource substitutes/ diversification                                        | Increased cost of retaining supply chain ability to operate under various conditions                                      | Risk                | Not material           | Potential to be material | Potential to be material | Future state, suppliers and specifically subcontractors, may face increased challenges and costs in operating within physical environments impacted by climatic change, particularly those who conduct in-field services for us – this applying to medium-term and potentially longer-term horizons even under an 'orderly' or 'disorderly' transition scenario. There is also recognition that as regulatory requirements for decarbonization and enhanced disclosure continue to grow, this may increase costs for subject matter experts and niche suppliers. The business is focused on engaging our subcontractors to understand and build capacity in terms of decarbonization, adaptation and resilience to ensure continuity of service provision. This does not currently present a material risk to the business, but we remain alert to the need to pre-emptively mitigate against this particularly in more vulnerable locations and markets, through both diversifying the supplier base but also our approach to relevant service line delivery, if required and particularly in consideration of potential 'hot house world' or 'too little, too late' scenarios. |

## Strategic report

*Principal climate-related risks and opportunities for our business (continued)*

| Topic                  | Potential financial impact                                               | Risk or opportunity | Short-term: up to 2030 | Medium-term: up to 2040  | Long-term: towards 2050  | Rationale                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------|--------------------------------------------------------------------------|---------------------|------------------------|--------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical risks - acute | Increased severity of extreme weather events such as cyclones and floods | Risk                | Not material           | Potential to be material | Potential to be material | <p>As our climate impact scenario analysis indicates, acute physical risks are anticipated to increase across the geographies within which we operate and significantly in certain regions such as Asia even under the 'orderly' transition scenario but with greater magnitude across the alternate transition scenarios. Our approach to management of these risks is subject to ongoing review and catered to the countries/regions within which we operate.</p> <p>In the event of an acute physical risk, such as a cyclone or floods, our operational efforts are focused on prioritizing the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to home-based working and through the leasing of temporary office facilities, should our offices be physically impacted. Disruption to business continuity in the respective location is, therefore, anticipated to be temporary and can be mitigated through the aforementioned measures. Our business continuity and travel planning help minimize impacts to employees working remotely or in-field. Repairs to the physical infrastructure of the office are anticipated to be recoverable through our insurance and the financial impact to the business whilst material at the local level in the immediate timeframe is not considered material in respect of the global financial performance of the business. We will actively monitor changing climatic conditions and the potential for acute physical risks to become chronic and impact a wider geographical area as we progress towards medium- and long-term horizons. We have, therefore, noted the potential for chronic physical risks to become material in the medium- to long-term, though will seek to offset these through mitigation measures.</p> |

## Strategic report

### *Physical climate-related risks and opportunities*

As noted previously, the assessment considered a broad range of potential climate-related risks and opportunities which include physical risks, both acute and chronic, and the impact these could potentially have on our business operations, noting the potential for different transition scenarios.

The impact of climate change in terms of temperature rise, changes in precipitation patterns and volume, variability and extreme weather is already being seen across the globe but has the potential to be exacerbated subject to the speed and nature of transition which occurs. We are alert to the potential range of risks that this may pose in the future to our operations, as with any multinational company.

The nature of our business is primarily office-based, either in our own offices or those of our clients. With respect to our own operations, our Global Operations teams oversees the running of our offices, working with regional and local facilities teams which annually plan for the requirements associated with each office, consistent with our stringent Health & Safety requirements. Air conditioning and/or heating is integral to our office running and we are strategically committed to the use of renewable energy across all our offices, pursuant to our decarbonization strategy, and to purchase renewable energy certificates (RECs) to offset residual emissions. We proactively budget for the cost of this, whilst also seeking to incrementally introduce energy efficiency measures through our office optimization program. The cost - both current and future state - is not financially material.

Acute physical risks pose potential disruption to any business and have been considered in relation to the physical location of our offices, specifically those in locations identified as being potentially prone to extreme weather conditions in the short-, medium- and longer-term. This also takes into consideration existing and predicted capacity to adapt to such conditions. In the event of an acute physical risk, such as a cyclone or flood, our operational priority is the safety and wellbeing of our employees. Once secured, delivery of our services to clients can be maintained through switching to alternative working environments, including home working and alternative premises. Subject to the scale of impact of the specific physical risk, for example, if the impact is felt on a national or regional geographical basis, the impact to our business has the potential to be material at the local level in the immediate term. This impact will be mitigated by the operational measures we would deploy, as outlined in the table and those deployed by the respective regional and national administration. Once adjustments are implemented, we would anticipate the impact to our business to be decreasingly and ultimately not material.

Even under an 'orderly' transition scenario, acute physical risks are likely to continue to manifest, with varying ability to adapt to such risks in geographies across the world. As outlined in the assessment, however, we believe the impact of such risks to be temporary in nature and limited in terms of their potential financial materiality to the business. We have established adaptation measures integrated into our business planning to enable continuity of services to clients and business resilience.

Under the 'hot house world' or 'too little, too late' scenarios, there is a significantly increased likelihood of physical risks becoming chronic and a reduced potential for certain economies to adapt or increased level of investment required to support this. Our ongoing constraints mapping will actively consider this and inform our planning around office location and deployment of personnel in-field, working with clients to ensure we continue to deliver services and remain resilient.

In the event that physical risks are anticipated to become chronic, for example, increased and sustained high temperatures which would particularly manifest under 'hot house world' and 'too little, too late' scenarios, adaptation measures will be considered in respect of the relevant office and business unit operational planning. Actions would then be undertaken through our office optimization and business unit planning, to adjust our office working environment or relocate to alternative premises. Home working, employee commuting to work, and work undertaken in-field would also be adapted to reflect changed climatic conditions and incorporated into our working practices, health and safety protocols and service delivery plans. This would be proactively assessed, factored into the respective business unit budget and implemented in a manner which we do not anticipate to be financially material to the business unit or wider business but have conservatively noted as a potential material risk in the medium- to long-term, which will be actively monitored and mitigated against.

## Strategic report

### *Impacts to our operational strategy and business resilience*

Our operational strategy actively considers the potential varying impacts to business continuity and resilience in the short-, medium- and long-term which would emerge from the different assessment scenarios. Whilst it is hoped that we will see the realization of the 'orderly' transition scenario, the business is also prepared for the possibility of alternative transition and scenarios, as outlined by NGFS, which may materialize.

As a global sustainability consultancy, we operate in accordance with our longstanding commitment to demonstrate credible net-zero leadership and implement operational programs consistent with this. From an operational perspective, our established decarbonization program which has been validated to align with the SBTi Corporate Net-Zero Standard, sees us on a sustained pathway of emissions reduction in pursuit of net-zero by 2040. This positions us to be beyond compliant with both current and projected escalating regulatory commitments to reduce emissions across medium- and longer-term scenario timeframes. Our incremental emissions reductions also buffer the business against potential rising costs associated with market-based mechanisms delivering credits and beyond value chain mitigation.

#### *Orderly transition scenario*

It is the purpose of our business to support clients transition in a timely manner to a net-zero or low-carbon future. We will work with our stakeholders towards the realization of the 'orderly' transition scenario and anticipate demand for our commercial services will continue to increase in support of this. Immediate and short-term demand arises from clients who are actively transitioning now, comprising the early movers and/or those preparing for progressive transition. Demand for services is anticipated to continue to grow and likely escalate as we move towards 2030 and a further wave of demand to manifest towards the 2040-2050 time horizons for those industries/sectors which may require a more staged or elongated timeframe for transition. In this scenario, from 2050 onwards, we anticipate client demand to be centred on support to sustain low-carbon operations and adaptation to the impact of climatic change already in progress before transition has been achieved.

#### *Disorderly transition scenario*

ERM is committed to working with stakeholders to avoid the realization of the 'disorderly' transition scenario, but we nonetheless take into consideration the potential for this scenario to be realized. Even in the scenario of other state or business actors seeking to adopt a more passive or fragmented approach to decarbonization, we believe wider societal, consumer and investor demand will at least partially mitigate against this. As previously noted, ERM seeks to work with those businesses who are invested in delivering a low-carbon future, providing ongoing demand for our services.

Our cross-sectoral and global coverage enables us to adapt and remain agile and resilient in the face of geo-political uncertainty impacting the speed or scale of policy and regulatory driven change, and potential variability in the rate of transition across sectors or geographies. In the event of industry or country specific policy and regulatory uncertainty impacting market demand, our operational model enables rapid retraining and/or redeployment of personnel, to mitigate against potential material financial impact. This can be undertaken on a temporary or sustained basis, subject to projections of how we anticipate the respective sector or country will respond in the short- to medium-term.

Our operational strategy supports the business to capitalize upon market demand, reflecting our assessment of current and projected climate-related commercial opportunities and taking into consideration foreseeable geo-political, regulatory and sectoral disparities to support business resilience.

#### *'Hot house world' and 'too little, too late' scenarios*

As previously noted, it is our stated purpose to work with stakeholders towards a more sustainable future. Integral to this is the avoidance of the 'hot house world' and 'too little, too late' scenarios. As with all businesses, we are nonetheless alert to the potential for these scenarios to materialize. The evolution of these scenarios is likely to occur over a longer-period of time, notably our longer-term time horizons of 2050 and beyond. As with the 'disorderly' transition scenario, however, our operational model will remain agile to enable us to adapt to an evolving market and sustain material financial opportunity across these time horizons.

We anticipate that as with the previous scenarios, many clients will seek to decarbonize in line with their own purpose, commercial drivers and stakeholder pressure. Other clients may seek to elongate but ultimately transition. We will support our clients in either scenario and believe this represents a material financial opportunity to the business. In the event that the scale of societal transition is not adequate to prevent significant climatic change, clients will require support to adapt to a 'hot house world' or the even more significant scenario within which the scale of climatic change is so severe that there are tangible impacts for some businesses in terms of their ability to operate within certain geographies. In this scenario, we will support our clients to adjust their operational approach and this represents a material financial opportunity.

## Strategic report

### Targets and monitoring of performance

The nature of our business means that the suite of our metrics/targets are collectively focused on supporting our own operational decarbonization and that of our clients, and the commercial opportunity which this creates. Our business plan integrates targets aimed at sustaining and growing our business across short-, medium- and long-term planning, and takes into consideration our geographical scope, sectoral presence and projected demand for our services across the scenarios set out in this assessment. Commercial targets are set accordingly for service teams, sector, and client workstreams, and for our business units and regions, which are integrated into business planning as part of our commercial strategy. Progress against these commercial targets is monitored on a quarterly, half-yearly and annual basis, overseen by our Chief Commercial Officer and reporting into ExCom.

A wider set of sustainability metrics are also established each year to support our operational programs, including in key areas such as people management and the recruitment and retention of staff which supports our ability to be agile in the face of increasing market demand or climate-related professional services. Performance against these targets is published in our annual Sustainability Report and our wider financial performance is set out in this report.

A summary of performance against our FY25 targets / KPIs and our FY26 targets, is summarized below.

| Category                                                    | FY25 KPI                                                                                                                                                                                                           | Performance against FY25 targets                                                                                                                                                                                                               | FY26 target                                                                                                                                                                                                                                 |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adaptation to changing physical environment</b>          | New: Track % of offices with updated business continuity plans that take into account climate-related physical risks                                                                                               | All ERM offices are required to have business continuity plans in place that consider climate-related physical risks.                                                                                                                          | New: Review office business continuity plans in highest risk countries. Our focus is on reviewing the rigor of our continuity plans with particular emphasis upon those countries which are anticipated to experience the most acute risks. |
|                                                             | New: Develop methodology and KPI to track productivity loss arising from physical risks (e.g., days lost due to inability to conduct in-field survey activity due to extreme weather/changing climatic conditions) | Methodology has been established to record and track productivity loss arising from physical risks – this is achieved through specific codes for timesheet reporting, to record time lost due to extreme weather/changing climatic conditions. | Our target in FY26 is to track and report time reported using the designated code and to further understanding of specific locations or service lines which are impacted by such productivity loss.                                         |
| <b>Transition of operations</b>                             | Reduce scope 1, 2 and 3 emissions in line with SBTi targets against FY20 baseline.                                                                                                                                 | Our FY25 emissions data indicates that we remain on track to achieve our short-, medium- and long-term SBTi targets.                                                                                                                           | Our FY25 target is retained and will remain a rolling annual target.                                                                                                                                                                        |
| <b>Changing market for climate-related service delivery</b> | Year on year growth in net revenue                                                                                                                                                                                 | Our FY25 financial performance is set out in our annual financial statutory accounts – cross-reference to wider report.                                                                                                                        | Our FY25 target is retained and will remain a rolling annual target.                                                                                                                                                                        |

## Strategic report

### Targets and monitoring of performance (continued)

#### Our decarbonization targets

ERM's targets have been validated by SBTi as aligned to the Corporate Net Zero Standard. This means we are committed to reaching net-zero greenhouse gas emissions across the value chain by FY40.

#### Our near-term targets:

By 2028: 45% of suppliers by emissions covering purchased goods and services will have science-based targets.

By 2030, we will:

- reduce absolute scope 1 and 2 GHG emissions by 50%;
- achieve 100% annual sourcing of renewable electricity (currently at 99%); and
- reduce absolute scope 3 GHG emissions from business travel and employee commuting by 42%.

#### Our long-term targets:

By 2040, we will:

- reduce absolute scope 1 and 2 GHG emissions by 90%; and
- reduce absolute scope 3 GHG emissions from purchased goods and services, business travel and employee commuting by 90%.

Both near-term and long-term targets are set against a FY20 base year.

### UK Streamlined Energy and Carbon Reporting (SECR)

In compliance with our UK SECR reporting requirements, the below table reports all our required emission sources under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). Our reporting boundary aligns with our financial statements and follows the GHG Protocol Corporate Standard. Emissions are reported for our UK operations in CO<sub>2</sub>e using IPCC AR5 GWPs without climate feedback. Scope 2 is calculated using the market-based method. We used Ecometrica for data management, applying 2024 Department for Energy Security and Net Zero emission factors for UK emissions.

#### Energy efficiency activities

Electricity usage in FY25 has declined across UK offices due to our decarbonization efforts, improved data collection and enhanced accuracy in reporting. Natural gas usage has risen, following usage adoption in some locations. ERM is taking targeted steps to reduce natural gas usage in line with our sustainability targets and as part of our office optimization program.

Our office optimization program is a multi-year program which guides the lease renewal or selection of offices in the UK and globally. As part of our lease review or selection of new offices, we consider the energy efficiency of the proposed premises. We also consider the potential additional measures to reduce operational energy usage in the respective locations as part of our incremental energy reduction targets for our operations.

|                                                       |                              | Year ended<br>31 March<br>2025<br>Co2 tonnes | Year ended<br>31 March<br>2024<br>Co2 tonnes | Year ended<br>31 March<br>2025<br>kWh | Year ended<br>31 March<br>2024<br>kWh |
|-------------------------------------------------------|------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------------|---------------------------------------|
| Scope                                                 | Fuel type                    |                                              |                                              |                                       |                                       |
| Scope 1                                               | Natural gas                  | 42.29                                        | 26.39                                        | 231,157                               | 144,256                               |
| Scope 1                                               | Refrigerant gas loss         | 13.07                                        | 12.44                                        | -                                     | -                                     |
| Scope 2                                               | Electricity (market based)   | -                                            | -                                            | -                                     | -                                     |
| Scope 2                                               | Electricity (location based) | 83.28                                        | 148.41                                       | 402,241                               | 704,128                               |
| <b>Total</b>                                          |                              | <b>138.64</b>                                | <b>187.24</b>                                | <b>633,398</b>                        | <b>848,384</b>                        |
| Co2 tonnes emissions per \$1,000,000 of gross revenue |                              | 0.098                                        | 0.135                                        |                                       |                                       |

## Strategic report

### **Principal risks and uncertainties**

The key risks that the Group is exposed to are reviewed regularly by senior management, the Risk & Reputation steering group, the Executive Committee and the Board of Directors.

#### ***Risks relating to the Group's financial condition: credit risk, liquidity risk and interest rate risk***

The Group's credit risk is primarily attributable to its debtors and amounts recoverable on contracts. The Group has no significant concentration of credit risk, with exposure spread over a large number of high quality counterparties and customers.

In keeping with the financing model selected by the shareholders, the Group has significant indebtedness and a substantial portion of cash flow from operations is used for the payment of interest. The Group has both interest rate and exchange rate exposure. There are also certain restrictions and covenants imposed by the terms of these debt facilities. Debt maturity dates are July 2027 to July 2028.

These risks are managed by strong reporting, control and forecasting of cash flows and by regularly deciding on whether to hedge a portion of debt at fixed interest rates, considering inter alia forecasts on interest rates, interest cover, cash flow and cash on hand. See note 26 for details of interest rate hedges in place. The Group's indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. At the year end the Group also had a revolving credit facility of \$238 million, which was undrawn (\$6.5 million of the undrawn amount was utilised as security for bank guarantees).

#### ***Risks relating to the Group's business performance, to end markets and to political and regulatory factors***

The Group faces a competitive market, parts of which have relatively low barriers to entry. The Group may be exposed to liabilities in connection with its business and its liability for potential claims or pending claims may exceed its insurance coverage or no insurance coverage may exist for such claims. Further, the Group may fail to meet cost, schedule or performance requirements under client contracts. Changes in environmental laws, regulations and Government policy may adversely affect the Group's business, as may foreign, political or economic instability, due to the large number of countries in which the Group operates.

Some of ERM's end markets are somewhat cyclical in nature. Whilst the Group's revenues are drawn from a range of private and, to a lesser extent, public markets, material downturns in some markets could impact the business. We are, however, very well diversified across the Energy, Power, Chemical, Technology, Manufacturing, Mining, Finance and Pharmaceuticals sectors.

These risks are managed by anticipating consultancy trends and identifying new markets and sectors in which the Group might operate and ensuring that we continue to be well diversified across sectors, geography and services. The Group has processes to manage contractual conditions with appropriate insurance arrangements in place and to identify and manage contingent liabilities when they arise. The Directors believe that the Group has adequately provided for known liabilities and that it has adequate insurance to cover known potential legal claims. The Group maintains strong links between individual business units and has a strong regional management structure, which is responsible for managing and co-ordinating activities within each geographic region.

## Strategic report

### ***Risks relating to the Group's personnel***

The Group's operating result requires the Group to maintain a high degree of utilisation of its consultants. The Group's future success will depend on its ability to attract and retain key personnel. These risks are managed by monitoring and optimising staff utilisation and by having remuneration policies which reward performance and incentivise continued employment with the Group.

We need to position ourselves to attract the talent we need in an increasingly competitive marketplace. ERM's challenge is to scale our talent with our business, embrace new capabilities and evolve our working culture. The HR function needs to be set up for success to help ERM navigate these challenges. We continue to invest in the programs and capabilities required to accelerate hiring, development, engagement and retention strategies in order to realise our growth ambition and attract and retain talent within an increasingly competitive market.

### ***Climate-change related risks***

Climate-related financial risks and opportunities have a direct impact on the Group's business, strategy, and trajectory. We ourselves are in a transition as the economy moves to a low-carbon future. Our portfolio of clients and projects has changed significantly in recent years as the inter-relationship between climate, nature and social issues present new risks and opportunities for the private and public sectors. Refer to the Non-Financial and Sustainability Information Statement section above for detailed discussion of climate related risks and opportunities.

The Group plays an active role in various multistakeholder initiatives on climate including the Business Ambition to 1.5 degrees, the World Business Council for Sustainable Development climate and energy programs and the Climate Pledge.

### ***Future developments***

We believe that, despite ongoing geopolitical and economic uncertainty, ERM has an extraordinary growth opportunity, and commensurate challenge, ahead of us in the next financial year and beyond. While volatility will likely remain for some time, we have a highly diversified business across industries, service lines and geographies. We believe the long term demand drivers of Low-Carbon Emitting Technologies ("LCET") and ESG will endure well beyond the current turbulence and drive long term market growth.

We will continue with our strategy, which is to grow and build our presence in major markets, through organic growth and targeting specific acquisitions where appropriate to broaden our geographic and service offerings. Our global expansion will continue to focus on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas.

In order to achieve our growth aspiration, our future investment activities will include:

- continuing expansion of our investments in our commercial excellence agenda to include a focus on growing our client relationship programme and enhancing our business generations capabilities;
- driving our operational and overhead initiatives to improve our competitiveness and financial resilience;
- expanding the role of technology and data in our service offerings and in our operational delivery;
- continuing focus on inorganic growth from acquisitions; and
- investing in and developing our brand to align with the Group's growth ambitions.

## Strategic report

### Summary

FY25 saw us successfully grow net revenue and use this momentum to invest in the business and growing client relationships. The business is well diversified from both a geographical and service line perspective with the resilience to manage near-term economic uncertainty. We are also well structured and financed and have strong current liquidity to ensure our business continues to thrive.



Thomas Reichert  
Chief Executive Officer  
25 September 2025

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2025.

### Directors

The executive Directors who served during the year were:

|                  |                                          |
|------------------|------------------------------------------|
| Thomas Reichert  | Chief Executive Officer                  |
| Timothy Strawn   | Regional Chief Executive Officer         |
| David McArthur   | Strategic Advisor                        |
| Sabine Hoefnagel | Global Leader of Sustainability and Risk |
| Susan Angyal     | Regional Chief Executive Officer         |

The non-executive Directors who served during the year were:

Rami Bibi  
Tomás Hevia Armengol  
Mattia Caprioli  
Lars Kolks  
Sir Roger Carr (appointed 30 July 2025)  
Michaela Wood (appointed 2 July 2024 and resigned 30 July 2025)  
Juan De Ochoa Panisello (appointed 4 March 2025)

### Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Please refer to pages 44-45 for further details.

### Charitable and political donations

In the year ended 31 March 2025 the Group made donations of \$283,000 to charities (2024: \$469,000), including \$210,000 to The ERM Foundation (2024: \$406,000). The Group also covered some of the administrative costs of running The ERM Foundation and its associated programmes. The ERM Foundation supports environmental, community and sustainable development causes through appropriate charitable, educational and scientific means.

Neither the Company nor any of its subsidiaries has a policy of making financial donations to political parties or organisations. No such financial donations have been made during the year.

### Employees

The Group is committed to involving all of its employees in the performance and development of the Group. Employees are kept up-to-date on corporate activities through a combination of periodic staff briefings at regional and office levels, team meetings and internal communication channels. Our intranet and regular electronic newsletters keep employees informed of the Group's success in the marketplace and provide information on internal job vacancies.

It is the Group's policy to give full consideration to suitable applications for employment of disabled persons and to comply with applicable equal employment opportunity laws as to race, colour, religious creed, sex, age, national origin, marital status, ancestry, sexual orientation, veteran status, medical condition or any other legally protected status. Disabled employees are eligible to participate in all career development opportunities available to staff. See pages 8-10 for further detail of how the Directors have engaged with the Group's employees, suppliers, customers and other stakeholders.

## Directors' report

### Corporate governance

Management is focused on continuing to build a platform for strong and sustainable growth in both revenues and earnings. In order to achieve this objective, the Group is committed to adhering to the highest standards of corporate governance and stewardship. The main platforms include:

- Strong regional management based close to regional operations;
- A global management team providing close oversight of regional and business unit management;
- Consistent and strong financial controls;
- A centralised global financial and treasury management structure that is deployed regionally and co-located with the operations;
- A global financial and project management system;
- Clear policies, procedures, training, leadership and periodic performance review in the areas of business conduct and ethics, and health and safety; and
- Corporate stewardship reinforced through employee ownership.

During the year, the Group has increased its efforts in managing the risks associated with professional service contracts, evolved and expanded our global contracts management system, and continued to develop and enhance its risk management tools and processes in relation to project management and subcontractors.

### The workings of the Board

The Board of Directors met seven times during the financial year.

An Executive Committee is responsible for overseeing the day-to-day management of the Group's business operations and strategic initiatives.

The Board is responsible for implementing, monitoring and reviewing the effectiveness of management control systems. These processes include:

- Comprehensive budgeting, with plans and budgets annually approved by the Board;
- Monthly financial reporting comparing actual performance against budget and prior year results on a monthly and year-to-date basis;
- Review of business performance by senior executives;
- Regular consideration by the Board of actual performance against budgets and business plans;
- Regular discussion by the Board of the Group's forecasts and business prospects;
- Review of significant risks faced by the Group;
- Ensuring key officers review financial and other controls across the Group;
- Discussion and review of issues arising from the external audit; and
- Regular reporting of legal and accounting developments.

The Regional Finance Directors, who report to regional senior management and the Chief Financial Officer, ensure that adequate controls are in place within the business units. In addition, a system of self-certification is in place in the business units. This requires business units to certify their compliance in areas of corporate governance and management control. The responses are reviewed by regional and Group management.

### Communications with shareholders

There is regular communication with KKR and its main co-investors as well as with employee shareholders (refer to page 10 of the Strategic Report for further details).

### Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP will be re-appointed as the auditor.

### Events since the balance sheet date

Please refer to subsequent events in note 30.

## Directors' report

### **Directors' statement as to disclosure of information to the auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all steps that they are obliged to take, as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Directors' and officers' liability insurance**

ERM maintains liability insurance for the Directors and officers of the company and of all its subsidiaries. In addition, the Directors of the Company are granted indemnities in respect of certain liabilities or loss that may arise out of or in connection with their duties to ERM, and in accordance with the Companies Act 2006 and the Articles of Association of the Company.

### **Directors' conflict of interest**

The Articles of Association of the Company contain provisions which are consistent with ERM's Code of Conduct and the Companies Act 2006 regarding actual or potential conflicts of interest involving Directors.

### **Dividend**

During the year ended 31 March 2025, the Directors declared and paid \$90,000,000 of the accrued preferential dividends to the "A" and "B" preference shareholders. The Directors do not recommend a final dividend for FY25 (FY24: did not recommend payment of a dividend).

### **Principal risks and uncertainties**

Please refer to the strategic report on pages 26-27.

### **Future developments**

Please refer to the strategic report on page 27.

This report was approved by the board of directors and authorised for issue on 25 September 2025. They were signed on its behalf by:



Thomas Reichert  
Chief Executive Officer

Registered No. 13391605

## Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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 financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The Directors have elected to prepare the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework" 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 of the parent Company and of their profit or loss for that period.

In preparing the parent Company financial statements, the Directors are required to:

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

In preparing the Group financial statements, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

# Independent auditor's report

## to the members of The ERM International Group Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion:

- the financial statements of The ERM International Group Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 30.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included an assessment of the entity's:

- financing facilities including nature of facilities, repayment terms and covenants;
- linkage to business model and medium-term risks;
- assumptions used in the forecasts;
- amount of headroom in the forecasts (cash and covenants);
- sensitivity analysis; and
- the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

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

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

# Independent auditor's report

## to the members of The ERM International Group Limited

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 the directors 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 for the audit of the financial statements

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

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

### Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, in-house legal counsel and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included UK Employment Law, Environmental Legislation and General Data Protection Regulations ("GDPR").

# Independent auditor's report

## to the members of The ERM International Group Limited

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Valuation of long outstanding Work in Progress (WIP) on projects, taking into account regional average WIP days and any regional specific risk-factors which may result in the WIP days significantly exceeding these regional averages, and the accuracy of the associated revenue. We have:
  - o using data analytics, identified projects with WIP balances that significantly exceed regional averages and performed detailed testing procedures on a sample of projects to challenge the basis for the project completion and recoverability; and
  - o performed additional inquiry with project managers or project partners to validate projects back to agreements and supporting documentation in order to challenge the valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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.

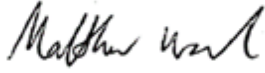
We have nothing to report in respect of these matters.

# Independent auditor's report

## to the members of The ERM International Group Limited

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Matthew Ward FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
25 September 2025

## Consolidated income statement

For the year ended 31 March 2025

In \$000

|                                                                                                           | Notes    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| Gross revenue                                                                                             | 5        | 1,413,210                   | 1,379,588                   |
| External project costs                                                                                    |          | (275,950)                   | (264,027)                   |
| <b>Net revenue</b>                                                                                        | <b>5</b> | <b>1,137,260</b>            | <b>1,115,561</b>            |
| Other income                                                                                              |          | 1,678                       | 2,119                       |
| Staff costs                                                                                               | 6        | (864,661)                   | (850,055)                   |
| Other operating expenses                                                                                  | 7        | (90,940)                    | (85,797)                    |
| Share based payments expense                                                                              | 22       | (10,621)                    | (8,759)                     |
| Depreciation of property, plant and equipment                                                             | 7,10     | (9,429)                     | (9,568)                     |
| Depreciation of right of-use assets                                                                       | 7,11     | (19,525)                    | (18,515)                    |
| <b>Operating profit before amortisation and impairment of intangible assets and net transaction costs</b> |          | <b>143,762</b>              | <b>144,986</b>              |
| Amortisation and impairment of intangible assets                                                          | 7,13     | (88,430)                    | (187,080)                   |
| Net transaction (costs) / credit                                                                          | 14b      | (8,173)                     | 19,776                      |
| <b>Operating profit / (loss)</b>                                                                          |          | <b>47,159</b>               | <b>(22,318)</b>             |
| Financial income                                                                                          | 8        | 28,170                      | 31,303                      |
| Financial expenses                                                                                        | 8        | (327,950)                   | (299,923)                   |
| Net financial expenses                                                                                    |          | (299,780)                   | (268,620)                   |
| <b>Loss before income tax</b>                                                                             |          | <b>(252,621)</b>            | <b>(290,938)</b>            |
| Income tax expense                                                                                        | 9        | (13,810)                    | (11,151)                    |
| <b>Loss for the financial year</b>                                                                        |          | <b>(266,431)</b>            | <b>(302,089)</b>            |
| <b>Attributable to:</b>                                                                                   |          |                             |                             |
| Equity holders of the parent                                                                              |          | (266,432)                   | (302,096)                   |
| Non-controlling interests                                                                                 | 28       | 1                           | 7                           |
| <b>Loss for the financial year</b>                                                                        |          | <b>(266,431)</b>            | <b>(302,089)</b>            |

The current year and prior year results all relate to continuing operations.

## Consolidated statement of comprehensive income

For the year ended 31 March 2025

In \$000

|                                                                       | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-----------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Loss for the financial year</b>                                    | <b>(266,431)</b>            | <b>(302,089)</b>            |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |                             |                             |
| Foreign currency translation differences                              | 1,135                       | (10,928)                    |
| Deferred tax on retranslation of intangible assets                    | 1,378                       | 1,276                       |
| <b>Total comprehensive loss for the year</b>                          | <b>(263,918)</b>            | <b>(311,741)</b>            |
| <b>Attributable to:</b>                                               |                             |                             |
| Equity holders of the parent                                          | (263,919)                   | (311,748)                   |
| Non-controlling interests                                             | 1                           | 7                           |
| <b>Total comprehensive loss for the year</b>                          | <b>(263,918)</b>            | <b>(311,741)</b>            |

# Consolidated statement of financial position

As at 31 March 2025

In \$000

|                                                                   | Notes | 31 March 2025      | 31 March 2024      |
|-------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                                                     |       |                    |                    |
| <b>Non-current assets</b>                                         |       |                    |                    |
| Property, plant and equipment                                     | 10    | 19,250             | 22,386             |
| Right of-use assets                                               | 11    | 44,587             | 46,711             |
| Other investments                                                 |       | 4,312              | 549                |
| Interest rate hedges at fair value                                | 26    | 714                | 17,262             |
| Intangible assets                                                 | 13    | 2,566,244          | 2,636,983          |
| Deferred tax assets                                               | 15    | 79,509             | 74,311             |
| <b>Total non-current assets</b>                                   |       | <b>2,714,616</b>   | <b>2,798,202</b>   |
| <b>Current assets</b>                                             |       |                    |                    |
| Trade and other receivables                                       | 16    | 409,370            | 361,452            |
| Interest rate hedges at fair value                                | 26    | 7,677              | -                  |
| Current tax assets                                                |       | 20,552             | 18,422             |
| Cash and cash equivalents                                         | 19    | 156,787            | 192,873            |
| <b>Total current assets</b>                                       |       | <b>594,386</b>     | <b>572,747</b>     |
| <b>Total assets</b>                                               |       | <b>3,309,002</b>   | <b>3,370,949</b>   |
| <b>Liabilities</b>                                                |       |                    |                    |
| <b>Current liabilities</b>                                        |       |                    |                    |
| Trade and other payables                                          | 17    | (448,871)          | (436,936)          |
| Borrowings                                                        | 18    | (12,774)           | (9,175)            |
| Lease liabilities                                                 | 20    | (14,927)           | (14,272)           |
| Current tax liabilities                                           |       | (11,695)           | (10,993)           |
| <b>Total current liabilities</b>                                  |       | <b>(488,267)</b>   | <b>(471,376)</b>   |
| <b>Non-current liabilities</b>                                    |       |                    |                    |
| Borrowings                                                        | 18    | (3,591,241)        | (3,402,503)        |
| Lease liabilities                                                 | 20    | (32,720)           | (34,518)           |
| Interest rate hedges at fair value                                | 26    | (5,455)            | (652)              |
| Deferred tax liabilities                                          | 15    | (316,506)          | (335,580)          |
| <b>Total non-current liabilities</b>                              |       | <b>(3,945,922)</b> | <b>(3,773,253)</b> |
| <b>Total liabilities</b>                                          |       | <b>(4,434,189)</b> | <b>(4,244,629)</b> |
| <b>Net liabilities</b>                                            |       | <b>(1,125,187)</b> | <b>(873,680)</b>   |
| <b>Shareholders' deficit</b>                                      |       |                    |                    |
| Share capital                                                     | 21    | 825                | 714                |
| Share premium                                                     |       | 38,456             | 36,213             |
| Share based payment reserve                                       |       | 23,465             | 13,233             |
| Own shares held reserve                                           |       | (1,786)            | (1,380)            |
| Translation reserve                                               |       | (117,454)          | (119,967)          |
| Retained losses                                                   |       | (1,068,925)        | (802,493)          |
| <b>Total deficit attributable to equity holders of the Parent</b> |       | <b>(1,125,419)</b> | <b>(873,680)</b>   |
| Non-controlling interests                                         | 28    | 232                | -                  |
| <b>Total deficit</b>                                              |       | <b>(1,125,187)</b> | <b>(873,680)</b>   |

The financial statements were approved by the board of directors and authorised for issue on 25 September 2025. They were signed on its behalf by:



Thomas Reichert  
Chief Executive Officer  
Registered No. 13391605

## The ERM International Group Limited

### Consolidated statement of changes in equity

For the year ended 31 March 2025

In \$000

|                                                                 | Attributable to equity holders of the Parent |                  |                                   |                            |                        |                    |             | Non-<br>controlling<br>interests | Total<br>deficit |
|-----------------------------------------------------------------|----------------------------------------------|------------------|-----------------------------------|----------------------------|------------------------|--------------------|-------------|----------------------------------|------------------|
|                                                                 | Share<br>capital                             | Share<br>premium | Share based<br>payment<br>reserve | Own shares<br>held reserve | Translation<br>reserve | Retained<br>losses | Total       |                                  |                  |
| Balance at 1 April 2023                                         | 533                                          | 31,810           | 4,804                             | (400)                      | (110,315)              | (500,397)          | (573,965)   | (7)                              | (573,972)        |
| Shares issued                                                   | 45                                           | 4,403            | -                                 | -                          | -                      | -                  | 4,448       | -                                | 4,448            |
| Purchase of own shares                                          | 136                                          | -                | -                                 | (980)                      | -                      | -                  | (844)       | -                                | (844)            |
| Share based payments                                            | -                                            | -                | 8,429                             | -                          | -                      | -                  | 8,429       | -                                | 8,429            |
| Comprehensive loss                                              |                                              |                  |                                   |                            |                        |                    |             |                                  |                  |
| Loss for the financial year                                     | -                                            | -                | -                                 | -                          | -                      | (302,096)          | (302,096)   | 7                                | (302,089)        |
| Foreign currency translation differences                        | -                                            | -                | -                                 | -                          | (10,928)               | -                  | (10,928)    | -                                | (10,928)         |
| Deferred tax on retranslation of intangible assets              | -                                            | -                | -                                 | -                          | 1,276                  | -                  | 1,276       | -                                | 1,276            |
| Total comprehensive loss                                        | -                                            | -                | -                                 | -                          | (9,652)                | (302,096)          | (311,748)   | 7                                | (311,741)        |
| Balance at 31 March 2024                                        | 714                                          | 36,213           | 13,233                            | (1,380)                    | (119,967)              | (802,493)          | (873,680)   | -                                | (873,680)        |
| Shares issued                                                   | 23                                           | 2,243            | -                                 | -                          | -                      | -                  | 2,266       | -                                | 2,266            |
| Purchase of own shares                                          | 88                                           | -                | -                                 | (406)                      | -                      | -                  | (318)       | -                                | (318)            |
| Share based payments                                            | -                                            | -                | 10,232                            | -                          | -                      | -                  | 10,232      | -                                | 10,232           |
| Comprehensive loss                                              |                                              |                  |                                   |                            |                        |                    |             |                                  |                  |
| Loss for the financial year                                     | -                                            | -                | -                                 | -                          | -                      | (266,432)          | (266,432)   | 1                                | (266,431)        |
| Foreign currency translation differences                        | -                                            | -                | -                                 | -                          | 1,135                  | -                  | 1,135       | -                                | 1,135            |
| Deferred tax on retranslation of intangible assets              | -                                            | -                | -                                 | -                          | 1,378                  | -                  | 1,378       | -                                | 1,378            |
| Total comprehensive loss                                        | -                                            | -                | -                                 | -                          | 2,513                  | (266,432)          | (263,919)   | 1                                | (263,918)        |
| Subsidiary shares issued to non-controlling interests (note 28) | -                                            | -                | -                                 | -                          | -                      | -                  | -           | 231                              | 231              |
| Balance at 31 March 2025                                        | 825                                          | 38,456           | 23,465                            | (1,786)                    | (117,454)              | (1,068,925)        | (1,125,419) | 232                              | (1,125,187)      |

# Consolidated statement of cash flows

For the year ended 31 March 2025

In \$000

|                                                                         | Notes    | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|-------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                             |          |                             |                             |
| Loss before income tax                                                  |          | (252,621)                   | (290,938)                   |
| <i>Adjustments for:</i>                                                 |          |                             |                             |
| - Depreciation of property, plant and equipment and right of-use assets | 7        | 28,954                      | 28,083                      |
| - Amortisation and impairment of intangible assets                      | 7        | 88,430                      | 187,080                     |
| - Net transaction costs / (credit)                                      | 7        | 8,173                       | (19,776)                    |
| - Net financial expenses                                                | 8        | 299,780                     | 268,620                     |
| - Share based payment expense                                           | 22       | 10,621                      | 8,759                       |
| - Loss on disposal of property, plant and equipment and software        |          | 79                          | 132                         |
| <i>Changes in working capital:</i>                                      |          |                             |                             |
| - (Increase) / decrease in trade and other receivables                  |          | (43,401)                    | 8,568                       |
| - Increase / (decrease) in trade and other payables                     |          | 9,463                       | (17,548)                    |
| <b>Cash generated from operating activities (pre-income taxes)</b>      |          | <b>149,478</b>              | <b>172,980</b>              |
| Income taxes paid                                                       |          | (41,244)                    | (45,448)                    |
| <b>Net cash inflow from operating activities (post-income taxes)</b>    |          | <b>108,234</b>              | <b>127,532</b>              |
| <b>Cash flows from investing activities</b>                             |          |                             |                             |
| Acquisition of subsidiary undertakings, net of cash acquired            | 14(b)    | (11,960)                    | (12,738)                    |
| Payment of transaction costs                                            | 14(b)    | (7,391)                     | (2,918)                     |
| Other investing activities                                              |          | (3,780)                     | (165)                       |
| Purchase of property, plant and equipment                               |          | (6,294)                     | (12,289)                    |
| Proceeds from sale of property, plant and equipment                     |          | 17                          | 102                         |
| Purchase and development of intangible assets                           |          | (9,603)                     | (11,977)                    |
| <b>Net cash outflow from investing activities</b>                       |          | <b>(39,011)</b>             | <b>(39,985)</b>             |
| <b>Cash flows from financing activities</b>                             |          |                             |                             |
| Issue of ordinary shares                                                | 21       | 2,181                       | 4,127                       |
| Issue of preference shares                                              |          | 4,805                       | 10,286                      |
| (Payments) / receipts for preference shares not yet issued              |          | (123)                       | 661                         |
| Repurchase of ordinary and preference shares                            | 18(d)    | (12,054)                    | (13,009)                    |
| Dividends paid to preference shareholders                               | 18(d)(e) | (90,000)                    | -                           |
| Settlement of promissory notes                                          |          | (3,672)                     | (2,057)                     |
| Proceeds from bank loans                                                |          | 100,520                     | -                           |
| Repayment of bank loans                                                 |          | (5,350)                     | (5,350)                     |
| Debt issue costs                                                        |          | (3,027)                     | (1,717)                     |
| Interest payments on bank loans held at amortised cost                  |          | (87,210)                    | (88,841)                    |
| Proceeds from interest rate hedges                                      |          | 10,689                      | 14,051                      |
| Other net bank interest and charges                                     |          | 3,650                       | 3,316                       |
| Other interest paid                                                     |          | (476)                       | -                           |
| Interest rate hedge premium                                             |          | (2,276)                     | -                           |
| Repayment of lease liabilities                                          |          | (17,546)                    | (18,568)                    |
| Lease interest paid                                                     |          | (4,047)                     | (2,798)                     |
| Net sublease income                                                     |          | 66                          | 398                         |
| Subsidiary shares issued to non-controlling interest                    | 28       | 231                         | -                           |
| <b>Net cash outflow from financing activities</b>                       |          | <b>(103,639)</b>            | <b>(99,501)</b>             |
| <b>Net decrease in cash and cash equivalents</b>                        |          | <b>(34,416)</b>             | <b>(11,954)</b>             |
| Cash and cash equivalents at the beginning of year                      |          | 192,873                     | 206,722                     |
| Effect of exchange rate fluctuations on cash held                       |          | (1,670)                     | (1,895)                     |
| <b>Cash and cash equivalents at end of year</b>                         | 19       | <b>156,787</b>              | <b>192,873</b>              |

## Company statement of financial position

As at 31 March 2025

In \$000

|                                       | Notes | 31 March 2025      | 31 March 2024      |
|---------------------------------------|-------|--------------------|--------------------|
| <b>Assets</b>                         |       |                    |                    |
| <b>Non-current assets</b>             |       |                    |                    |
| Investment in subsidiary undertakings | 12    | 2,033,595          | 2,023,363          |
| Total non-current assets              |       | 2,033,595          | 2,023,363          |
| <b>Current assets</b>                 |       |                    |                    |
| Trade and other receivables           | 16    | 35,722             | 303                |
| Current tax assets                    |       | 3,959              | 1,233              |
| Cash and cash equivalents             |       | 477                | 454                |
| Total current assets                  |       | 40,158             | 1,990              |
| <b>Total assets</b>                   |       | <b>2,073,753</b>   | <b>2,025,353</b>   |
| <b>Liabilities</b>                    |       |                    |                    |
| <b>Current liabilities</b>            |       |                    |                    |
| Trade and other payables              | 17    | (8,048)            | (26,778)           |
| Borrowings                            | 18    | (7,424)            | (3,825)            |
| Total current liabilities             |       | (15,472)           | (30,603)           |
| <b>Non-current liabilities</b>        |       |                    |                    |
| Borrowings                            | 18    | (2,500,410)        | (2,405,051)        |
| Total non-current liabilities         |       | (2,500,410)        | (2,405,051)        |
| <b>Total liabilities</b>              |       | <b>(2,515,882)</b> | <b>(2,435,654)</b> |
| <b>Net liabilities</b>                |       | <b>(442,129)</b>   | <b>(410,301)</b>   |
| <b>Shareholders' deficit</b>          |       |                    |                    |
| Share capital                         | 21    | 825                | 714                |
| Share premium                         |       | 38,456             | 36,213             |
| Share based payment reserve           |       | 23,465             | 13,233             |
| Own shares held reserve               |       | (1,786)            | (1,380)            |
| Retained losses                       |       | (503,089)          | (459,081)          |
| <b>Total deficit</b>                  |       | <b>(442,129)</b>   | <b>(410,301)</b>   |

The loss for the financial year in the financial statements of the parent company was \$44,008,000 (2024: \$197,614,000).

Approved and authorised for issue by the Board on 25 September 2025 and signed on their behalf by:



Thomas Reichert  
Chief Executive Officer

Registered No. 13391605

## Company statement of changes in equity

For the year ended 31 March 2025

In \$000

|                                         | Attributable to equity holders of the Company |               |                             |                         |                  |                  |
|-----------------------------------------|-----------------------------------------------|---------------|-----------------------------|-------------------------|------------------|------------------|
|                                         | Share capital                                 | Share premium | Share based payment reserve | Own shares held reserve | Retained losses  | Total deficit    |
| <b>Balance at 1 April 2023</b>          | <b>533</b>                                    | <b>31,810</b> | <b>4,804</b>                | <b>(400)</b>            | <b>(261,467)</b> | <b>(224,720)</b> |
| Shares issued                           | 45                                            | 4,403         | -                           | -                       | -                | 4,448            |
| Purchase of own shares                  | 136                                           | -             | -                           | (980)                   | -                | (844)            |
| Share based payments                    | -                                             | -             | 8,429                       | -                       | -                | 8,429            |
| <i>Comprehensive loss</i>               |                                               |               |                             |                         |                  |                  |
| Loss for the financial year             | -                                             | -             | -                           | -                       | (197,614)        | (197,614)        |
| Total comprehensive loss                | -                                             | -             | -                           | -                       | (197,614)        | (197,614)        |
| <b>Balance at 31 March 2024</b>         | <b>714</b>                                    | <b>36,213</b> | <b>13,233</b>               | <b>(1,380)</b>          | <b>(459,081)</b> | <b>(410,301)</b> |
| Shares issued                           | 23                                            | 2,243         | -                           | -                       | -                | 2,266            |
| Purchase of own shares                  | 88                                            | -             | -                           | (406)                   | -                | (318)            |
| Share based payments                    | -                                             | -             | 10,232                      | -                       | -                | 10,232           |
| <i>Comprehensive loss</i>               |                                               |               |                             |                         |                  |                  |
| Loss for the financial year             | -                                             | -             | -                           | -                       | (44,008)         | (44,008)         |
| Total comprehensive loss <sup>(1)</sup> | -                                             | -             | -                           | -                       | (44,008)         | (44,008)         |
| <b>Balance at 31 March 2025</b>         | <b>825</b>                                    | <b>38,456</b> | <b>23,465</b>               | <b>(1,786)</b>          | <b>(503,089)</b> | <b>(442,129)</b> |

(1) The loss for the financial year ended 31 March 2025 includes dividend income of \$158.5 million received from the Company's direct subsidiary Nature Midco Limited (2024: nil). This was settled through \$98.5 million cash proceeds and \$60 million intercompany loan.

## Notes to the financial statements

### 1. General information

The ERM International Group Limited ("the Company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is 2nd Floor, Exchequer Court, 33 St Mary Axe, London, EC3A 8AA and the registered number is 13391605. The principal activities of the Group are the provision of sustainability & climate change, safety and digital services to clients. The principal activity of the Company is to act as an intermediate group holding company.

The consolidated financial statements as at, and for the year ended 31 March 2025 and as at, and for the year ended 31 March 2024, consolidate those of the Company and its subsidiaries. The parent company financial statements present information about the Company as a separate entity.

### 2. Material accounting policy information

#### 2.1 Statement of compliance

The Group financial statements were prepared in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board IASB.

The financial statements of the Company were prepared in accordance with UK Accounting Standards including Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and under historical cost accounting rules.

The financial statements of the Group and the Company are prepared in US dollars as the majority of the Group's and the Company's transactions are denominated in this currency. All values are rounded to the nearest thousand (\$'000) except where otherwise stated.

#### 2.2 Basis of accounting

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The accounts have been prepared under the historical cost convention, as modified by the valuation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with Adopted IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Judgements that have a significant effect on the financial statements are discussed in note 4.

#### Going concern

The financial statements of the Group have been prepared on a going concern basis. The Group's principal risks and uncertainties are described in the Strategic report on pages 26 to 27. The Group has net liabilities of \$1,125 million (2024: \$874 million) and The ERM International Group Limited (the "Company") has net liabilities of \$442 million (2024: \$410 million). Details of the Group's liquidity position and borrowing facilities are described in note 18. Financial risk management objectives, details of financial instruments and hedging activities, and exposures to credit risk and liquidity risk are described in note 26.

The Group reported an operating profit before amortisation and impairment of intangible assets and net transaction costs of \$144 million for the year ended 31 March 2025 (2024: \$145 million), net cash inflows from operating activities (pre-income taxes) of \$149 million (2024: \$173 million) and a net decrease of cash and cash equivalents of \$34 million (2024: net decrease of \$12 million).

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Going concern (continued)

At 31 March 2025, the Group held cash and cash equivalents of \$157 million (including \$131 million deposited with ReachCentrum SA and \$21 million held on behalf of government bodies: see note 19) (2024: cash and cash equivalents of \$193 million, including \$138 million deposited with ReachCentrum SA and \$21 million held on behalf of government bodies).

A significant element of the indebtedness is preference shares (including accrued dividends) due to shareholders of \$2,497 million (2024: \$2,398 million), which is free from financial covenants. Dividends on the preference shares are accrued and compounded each calendar quarter; cash settlement is at the discretion of the Company. The preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier.

Despite the net liabilities position in the Company and Group's statement of financial position, the Group has adequate cash resources to meet its day-to-day working capital requirements. In undertaking their assessment of going concern for the Company and the Group, the Directors have prepared the Group's cash flow forecasts and projections and carried out a review of the Group's business and its future prospects. In particular, the Directors have assessed the forecasted future performance and anticipated cash flows, taking into account reasonably possible changes in trading performance, available debt facilities and associated covenants. The cash flow forecasts reflect the strong cash generating ability of the business.

The Directors have also modelled a stress test scenario to consider the wider operational consequences and ramifications of an unexpected risk event. The Group is highly diversified in terms of geographies, sectors and services. The stress testing analysis demonstrates the Group's financial and business resilience, and operational flexibility during prolonged periods of economic weakness. Following the assessment of the Group's financial position, operational resilience, and ability to meet its obligations as and when they fall due, the Directors have a reasonable expectation that the Group will be able to continue to operate for at least the next 12 months. Therefore, the financial statements have been prepared on a going concern basis.

#### Fair value measurement

The Group measures financial instruments such as derivatives and non-financial assets at fair value. The Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 Leases.

All assets and liabilities for which fair value are measured or disclosed are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines each year whether transfers have occurred between levels of the hierarchy.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Basis of consolidation**

The Group financial statements consolidate the financial statements of The ERM International Group Limited and its subsidiary undertakings, drawn up for the year ended 31 March 2025.

#### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Intra-group transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

#### **Disclosure exemptions**

The Company has taken advantage of the following exemptions under FRS 101:

- certain disclosures required by IFRS 13 Fair Value Measurement;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 10(d) and 10(f) of IAS 1 Presentation of Financial Statements; and
- the requirements in IAS 24 Related Party Disclosures from disclosing related party transactions with wholly owned subsidiaries within the Group.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006.

#### **Business combinations**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition related costs, which do not reflect the operational performance of the business and are only incurred when acquisitions arise, are reported within net transaction costs in the income statement.

The identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement, where such treatment would be appropriate if that interest were disposed of.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Business combinations (continued)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

#### **Contingent consideration**

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date). These relate to facts and circumstances that existed at the acquisition date. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in the income statement within net transaction costs.

#### **Acquisitions and disposals of non-controlling interests**

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

#### **Net transaction costs**

Net transaction costs consist of costs related to acquisitions (including gains or losses arising from remeasurement of contingent consideration), refinancing and other transaction related activities. These costs do not reflect the operational performance of the business. Net transaction costs are recognised in the income statement.

#### **Government assistance**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants relating to salary support schemes are recognised as accrued expenses in the consolidated statement of financial position and transferred to the income statement on a systematic basis over the periods in which the Group recognises as expenses the related staff costs for which the grants are intended to compensate.

Grants relating to government funded research projects are recognised in other income.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Foreign currencies**

##### ***Functional and presentational currencies***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

##### ***Transactions in foreign currencies***

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

##### ***Translation of the results of overseas businesses***

The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates ruling at the reporting date. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

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. Exchange differences arising are recognised in other comprehensive income.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Revenue recognition**

The Group follows the principles of IFRS 15 in determining appropriate revenue recognition policies. Revenue represents amounts chargeable for services provided to third parties in the ordinary course of business.

Revenue from services is recognised following the principles outlined in IFRS 15's five step model as detailed below:

- Identifying the contract. Upon acceptance of a proposal, a contract is entered into, which includes details of the scope of work and each party's rights and obligations regarding transfer of the service;
- Identifying the performance obligations in the contract. In assessing performance obligations, consideration is given to whether each identified key deliverable is a separate performance obligation, or a series of services that are substantially the same, have the same pattern of transfer to the customer and form one overall performance obligation;
- Determining the transaction price. The transaction price is developed during the proposal process by establishing the scope of work and the staffing levels required. Upon acceptance, the total fee value is stated in the contract together with an invoicing schedule;
- Allocating the transaction price to separate performance obligations. Contracts typically include only one performance obligation, so no allocation is required. Where more than one performance obligation exists, the contracts include separately agreed fees for each performance obligation;
- Recognising revenue as performance obligations are satisfied. Where only one performance obligation exists, revenue is recognised over time as the work is performed. Where there is more than one performance obligation, revenue is recognised as each performance obligation is met.

#### **Gross revenue**

Gross revenue represents amounts recoverable from clients in respect of the Group's continuing activities. Gross revenue includes costs incurred on behalf of clients and excludes sales taxes.

The Group enters into 'time and expense' and 'fixed fee' contracts. For time and expense contracts, gross revenue and profit recognised is based on hours and expenses incurred to date. For fixed fee contracts where the outcome can be reasonably foreseen, gross revenue and profit is recognised on a percentage completion basis by comparing costs incurred to date to the total costs to completion. Contract expenses include direct staff costs, sub-contractor costs and disbursements. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

Attributable profit is recognised for that part of the work performed on each contract at the accounting date when the outcome can be assessed with reasonable certainty.

Digital subscriptions revenue is recognised evenly over the time period for which the subscription services are provided as the customer simultaneously receives and consumes the economic benefit of the service being provided.

#### **Net revenue**

Net revenue is gross revenue after deduction of external project costs, which are made up principally of sub-contractors' fees.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### ***Contract losses***

Contracts are reviewed regularly and full provision is made for any anticipated total loss on contracts in the period in which they are first identified.

#### ***Amounts recoverable on contracts and bills in advance***

The amount by which revenue exceeds invoiced amounts is disclosed as 'amounts recoverable on contracts' within debtors on the statement of financial position. Advance payments are included as 'bills in advance' within creditors to the extent that they exceed the related work done.

#### ***Claims recognition***

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. When it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals.

#### **Leases**

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

Right-of-use assets are measured at cost, which is the initial measurement of the lease liabilities, adjusted for any payments made or lease incentives received at or before the commencement date, plus any direct costs incurred, and an estimate of any restoration costs.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in the income statement.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the asset, or the lease term. The Group also assesses the right-of-use assets for impairment where such indicators exist.

The right-of-use-assets are presented as a separate line in the consolidated statement of financial position.

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease (if that rate is readily available), or the Group's incremental borrowing rate. The lease term is a non-cancellable period of the lease; periods covered by options to extend the lease are only included in the lease term if it is reasonably certain that the lease will be extended.

Subsequent to initial measurement by the effective interest method, the liabilities are reduced for payments made and increased for interest charged. If required, lease liabilities are remeasured to account for modifications with corresponding adjustments reflected in the right-of-use assets.

The lease liabilities are presented as a separate line in the consolidated statement of financial position.

The Group sub-leases some of its leased properties and accounts for its interests in the head lease and sub-lease separately. Lease payments received are recognised as income on a straight-line basis over the lease term.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition and installation of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain and loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

|                                             |                     |
|---------------------------------------------|---------------------|
| Leasehold improvements                      | Over the lease term |
| Furniture and fittings, plant and machinery | 3 to 5 years        |
| Motor vehicles                              | 4 years             |
| Computer equipment                          | 3 to 5 years        |

Depreciation methods, useful lives and residual values are reviewed at each reporting date or if events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Intangible assets

##### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses, if any.

Goodwill is not subject to amortisation but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the units on a pro rata basis. An impairment loss in respect of goodwill is not reversed in the subsequent period.

##### **Other intangible assets**

Intangible assets acquired in a business combination are measured at fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

##### **Brand**

Brand names and related trademarks acquired through a business combination are measured initially at fair value and are amortised on a straight-line basis over their estimated useful lives. The ERM brand and related logos, trademarks and domain names acquired have been valued taking into account the royalty relief approach. The royalty relief is an 'economic use' approach to valuation which determines the value of the brand in relation to the royalty rate that would be payable for its use were it owned by a third party.

##### **Customer relationships and customer order books**

Contractual customer relationships and customer order books acquired in a business combination are recognised at fair value at the acquisition date. They are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost over the period in which their respective benefits are expected to accrue. The useful economic life of these assets is determined on a case-by-case basis, in accordance with the terms of the underlying agreement and the nature of the asset.

##### **Software and other development costs**

Software assets acquired as part of a business combination are capitalised at fair value at the date of acquisition and are amortised on a straight-line basis over their estimated useful lives.

Externally purchased software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software development costs relating to software assets the Group controls and which are revenue generating are capitalised and amortised over three to five years.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and will be amortised from the date the asset is available for use over the period during which the Group is expected to benefit.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### *Software and other development costs (continued)*

Directly attributable costs that are capitalised include directly attributable employee costs and an appropriate portion of relevant overheads. Provision is made for any impairment.

#### *Software-as-a-Service (SaaS) arrangements*

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. Third party costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### **Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

|                        |                |
|------------------------|----------------|
| Brand                  | up to 20 years |
| Customer order books   | within 2 years |
| Customer relationships | 5 to 20 years  |
| Software assets        | 3 to 5 years   |
| Development costs      | 20 years       |

#### **Impairment of tangible and other intangible assets (excluding goodwill)**

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Financial Instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### **Financial assets**

The Group classifies its financial assets in the following measurement categories:

- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows and management will determine the classification on initial recognition.

#### *i. Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. As per IAS 7.7 cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

#### *ii. Trade and other receivables*

Trade and other receivables are not interest-bearing and are due on commercial terms. They are recognised initially at their transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **Impairment of financial assets**

In accordance with IFRS 9 "Financial Instruments", the Group recognises a loss allowance for expected credit losses ("ECL") on trade receivables and contract assets; and has adopted the 'simplified approach' permitted by the standard. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

The Group recognises lifetime ECL for trade receivables and amounts recoverable on contracts. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as general economic conditions. This also includes an assessment of the current and forecast direction of conditions at the reporting date, including where appropriate, the time value of money.

The Group recognises an impairment gain or loss in profit or loss for financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### ***Financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements. An equity instrument is any contract that gives a residual interest in the assets of the Group, after deducting all its liabilities.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method except for derivatives that are measured at fair value with gains or losses recognised in profit or loss. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

All loans and borrowings are initially recognised at fair value net of issue costs. Borrowings are subsequently stated at amortised cost. Any difference between proceeds (net of issue costs) and redemption value is recognised in the consolidated income statement, within financial expenses, over the period to redemption using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as issue costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables, accruals and other payables are included in current liabilities, except for those with maturities greater than 12 months after the reporting date.

#### ***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### **Employee benefits**

The Group operates various post-employment schemes, including a defined contribution pension plan and other staff benefits.

#### **Defined contribution pension plan**

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current or prior periods. The contributions are recognised as employee benefit expenses in the consolidated income statement in the periods during which services are rendered by employees.

#### **Short-term benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, cash bonus or profit-sharing if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably in the period the related service is rendered.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

#### **Share-based payments**

For equity-settled share-based payment transactions, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Group cannot estimate reliably the fair value of the goods or services the Group measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

#### **Financial income and expenses**

Financial expenses comprise dividends accrued on preference shares, interest expense on borrowings held at amortised cost, other bank charges, lease interest and fair value losses on financial assets and liabilities that are recognised in the income statement. Financial income comprises interest receivable on funds invested and fair value movement gains on financial assets and liabilities recognised in the income statement. Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method.

Foreign currency gains and losses on revaluation of intercompany loans and bank loans are reported on a net basis.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement and consolidated statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

## Notes to the financial statements

### 2. Material accounting policy information (continued)

#### Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Current and deferred tax assets and liabilities are only offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entities or different taxable entities where there is an intention to settle the balances on a net basis.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

#### Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

#### ***Own shares held by Employee Benefit Trust (EBT)***

Transactions of the Company-sponsored EBT are treated as being those of the Company and are therefore reflected in the Group and Company financial statements. The EBT's purchases of ordinary shares in the Company are recognised as a deduction from equity. The EBT's purchases of preference shares in the Company are debited directly to the Group's preference shares.

## Notes to the financial statements

### 3. Adoption of new and revised Standards

For the first time in the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

|                                                                                      |                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to IAS 1<br>Classification of<br>Liabilities as Current or<br>Non-current | The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to IAS 1<br>Non-current Liabilities<br>with Covenants | The amendments to IAS 1 specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Amendments to IFRS<br>16 Leases—Lease<br>Liability in a Sale and<br>Leaseback | The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in <i>IFRS 15 Revenue from Contracts with Customers</i> to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. |
|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The Group does not have any such sale and leaseback transactions.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

|                      |                                                         |
|----------------------|---------------------------------------------------------|
| Amendments to IAS 21 | Lack of Exchangeability                                 |
| IFRS 18              | Presentation and Disclosures in Financial Statements    |
| IFRS 19              | Subsidiaries without Public Accountability: Disclosures |

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

## Notes to the financial statements

### 4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's material accounting policy information, which is described in note 2, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical accounting judgements applied during the reporting period.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### ***Goodwill impairment***

During the year ended 31 March 2025 the Group did not recognise any goodwill impairment, as the fair value less cost to sell ("FVLCS") is greater than the carrying amount of the assets for each group of CGUs ("regional CGU").

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each regional CGU to which goodwill is allocated.

The Group considers that the FVLCS is most sensitive to the discount rate and has considered reasonably possible changes to the discount rate. An increase of 2% to the discount rate for the Latin American & Caribbean CGU would result in an impairment charge of \$10 million. There is no reasonably possible change to discount rates for the other regional CGUs that would result in an impairment. See note 13 for further details

## Notes to the financial statements

### 5. Revenue

The Group is exempt from detailed IFRS 8 reporting requirements as neither its debt nor equity instruments are traded in a public market, nor does it have the requirement to file its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

An analysis of gross and net revenue by geographic origin is provided as follows:

|                                | Gross revenue by<br>origin<br>Year ended<br>31 March 2025<br>\$000 | Net revenue by<br>origin<br>Year ended<br>31 March 2025<br>\$000 | Gross revenue<br>by origin<br>Year ended<br>31 March 2024<br>\$000 | Net revenue by<br>origin<br>Year ended<br>31 March 2024<br>\$000 |
|--------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------|
| Europe, Middle East and Africa | 339,930                                                            | 292,195                                                          | 336,776                                                            | 288,242                                                          |
| Asia Pacific                   | 194,383                                                            | 160,215                                                          | 194,369                                                            | 156,748                                                          |
| Latin America and Caribbean    | 85,113                                                             | 57,498                                                           | 86,412                                                             | 61,098                                                           |
| North America                  | 711,024                                                            | 550,016                                                          | 706,472                                                            | 559,337                                                          |
| Other Businesses               | 82,760                                                             | 77,336                                                           | 55,559                                                             | 50,136                                                           |
| <b>Total</b>                   | <b>1,413,210</b>                                                   | <b>1,137,260</b>                                                 | <b>1,379,588</b>                                                   | <b>1,115,561</b>                                                 |

The Group's revenue is principally derived from the provision of services, and all revenues recognised arose from contracts with customers. The analysis by geographic origin shown above is consistent with the management and reporting structure of the Group.

## Notes to the financial statements

### 6. Staff costs, staff numbers and Directors' remuneration

#### Staff costs

Staff costs of the Group (including Directors' remuneration) were as follows:

|                                             | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Wages and salaries <sup>(1)</sup>           | 693,416                              | 681,188                              |
| Social security costs                       | 67,312                               | 66,690                               |
| Contributions to defined contribution plans | 25,484                               | 24,469                               |
| Other staff costs                           | 78,464                               | 77,818                               |
| Staff costs before Government grants        | 864,676                              | 850,165                              |
| Government grants <sup>(2)</sup>            | (15)                                 | (110)                                |
| <b>Total staff costs</b>                    | <b>864,661</b>                       | <b>850,055</b>                       |

(1) Wages and salaries include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year).

(2) The Government grants received were to contribute towards the cost of employee wages and salaries.

#### Staff numbers

The average number of full time employees (including executive Directors) in the Group during the year was made up as follows:

|                | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|----------------|-----------------------------|-----------------------------|
| Partners       | 732                         | 702                         |
| Consultants    | 5,452                       | 5,521                       |
| Administration | 1,220                       | 1,240                       |
| <b>Total</b>   | <b>7,404</b>                | <b>7,463</b>                |

The Company had no employees during the year ended 31 March 2025 (year ended 31 March 2024: none).

## Notes to the financial statements

### 6. Staff costs, staff numbers and Directors' remuneration (continued)

#### *Directors' remuneration*

The emoluments of the executive Directors of the Company for the year ended 31 March 2025 were paid by other Group companies and are as follows:

|                                                                                        | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Emoluments                                                                             | 6,768                                | 6,530                                |
| Contributions paid to defined contribution pension schemes (no. of members 2, FY24: 2) | 49                                   | 10                                   |

Emoluments include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year). Emoluments are paid in local currency in the country of residence.

The amounts in respect of the highest paid executive Director are as follows:

|            | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|------------|--------------------------------------|--------------------------------------|
| Emoluments | 4,000                                | 3,800                                |

No emoluments were paid to non-executive Directors during the year ended 31 March 2025 (year ended 31 March 2024: none).

### 7. Other operating expenses by nature, including net transaction costs

Operating expenses include:

|                                                                         | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|-------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment                           | 9,429                                | 9,568                                |
| Depreciation of right of-use assets                                     | 19,525                               | 18,515                               |
| Amortisation of intangible assets                                       | 86,722                               | 85,097                               |
| Impairment of intangible assets                                         | 1,708                                | -                                    |
| Impairment of goodwill                                                  | -                                    | 101,983                              |
| Net transaction costs / (credit) (note 14(b)(d))                        | 8,173                                | (19,776)                             |
| Foreign exchange gains on non-financing activities                      | (2,546)                              | (1,464)                              |
| Auditor's remuneration:                                                 |                                      |                                      |
| - audit of the Group financial statements                               | 2,429                                | 810                                  |
| - audit of financial statements of subsidiaries pursuant to legislation | 2,546                                | 2,655                                |
| - tax compliance and tax advisory services                              | 58                                   | 75                                   |
| - other advisory services                                               | 10                                   | 60                                   |

## Notes to the financial statements

### 8. Financial income and expenses

|                                                                 | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Income from interest rate hedges                                | 12,579                               | 14,051                               |
| Fair value gain on modification of bank loans (see note 18(b))  | 9,012                                | 8,895                                |
| Foreign exchange gain on revaluation of bank loans              | -                                    | 2,482                                |
| Bank interest income                                            | 6,249                                | 5,287                                |
| Other financial income                                          | 330                                  | 588                                  |
| <b>Total financial income</b>                                   | <b>28,170</b>                        | <b>31,303</b>                        |
| Dividends accrued on preference shares (see note 18(d) & 18(e)) | (194,958)                            | (183,422)                            |
| Interest expense on bank loans held at amortised cost           | (97,826)                             | (93,221)                             |
| Other bank interest and charges                                 | (2,367)                              | (1,824)                              |
| Lease interest                                                  | (4,047)                              | (2,798)                              |
| Other financial expenses                                        | -                                    | (11)                                 |
| Interest accrued on promissory notes                            | (427)                                | (168)                                |
| Fair value movement of interest rate hedges                     | (15,950)                             | (12,243)                             |
| Interest expense on other liabilities held at amortised cost    | (770)                                | (3,295)                              |
| Foreign exchange loss on revaluation of intercompany loans      | (8,590)                              | (2,941)                              |
| Foreign exchange loss on revaluation of bank loans              | (3,015)                              | -                                    |
| <b>Total financial expenses</b>                                 | <b>(327,950)</b>                     | <b>(299,923)</b>                     |
| <b>Net financial expenses</b>                                   | <b>(299,780)</b>                     | <b>(268,620)</b>                     |

## Notes to the financial statements

### 9. Income tax expense

#### (a) Analysis of tax charge

The Group operates across many different tax jurisdictions. Income and profits are earned and taxed in the individual countries in which they occur.

Differences between the UK statutory tax rate and the effective tax rate for the Group include, but are not limited to, the mix of profits, the effect of tax rates in overseas jurisdictions, non-deductible expenses, the effect of utilised tax losses, and under/over provisions in previous periods.

|                                                  | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current tax:</b>                              |                                      |                                      |
| Current year                                     | 42,400                               | 34,717                               |
| Prior year                                       | (3,226)                              | (711)                                |
| Total current tax charge                         | 39,174                               | 34,006                               |
| <b>Deferred tax:</b>                             |                                      |                                      |
| Current year                                     | (26,275)                             | (21,567)                             |
| Prior year                                       | 911                                  | (1,288)                              |
| Total deferred tax credit (note 15)              | (25,364)                             | (22,855)                             |
| <b>Total tax charge for the year (note 9(b))</b> | <b>13,810</b>                        | <b>11,151</b>                        |

#### (b) Reconciliation of tax charge

The tax charge is reconciled to the loss in the consolidated income statement as follows:

|                                                                | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Loss before income tax</b>                                  | <b>(252,621)</b>                     | <b>(290,938)</b>                     |
| Loss before income tax at UK statutory rate of 25% (2024: 25%) | (63,155)                             | (72,735)                             |
| <i>Effects of:</i>                                             |                                      |                                      |
| Impairment of goodwill                                         | -                                    | 25,496                               |
| Different statutory tax rates on overseas earnings             | 889                                  | 599                                  |
| Disallowed dividends accrued on preference shares              | 48,846                               | 45,855                               |
| Corporate interest restriction in the UK                       | 5,276                                | 4,127                                |
| Non-deductible expenses                                        | 3,341                                | 1,207                                |
| Impact of different tax rates on intangibles                   | (177)                                | (608)                                |
| Other reconciling items <sup>(1)</sup>                         | 3,363                                | -                                    |
| Movement in unrecognised deferred tax                          | 6,634                                | 5,646                                |
| Tax losses (utilised) / not utilised                           | (910)                                | 935                                  |
| Irrecoverable withholding taxes                                | 8,832                                | -                                    |
| Prior year items                                               | (2,315)                              | (1,999)                              |
| Share based payment expense                                    | 3,186                                | 2,628                                |
| <b>Total tax charge for the year (note 9(a))</b>               | <b>13,810</b>                        | <b>11,151</b>                        |

(1) Other reconciling items includes movements on Group-held uncertain tax positions and other small items.

## Notes to the financial statements

### 9. Income tax expense (continued)

#### (c) International Tax Reform – Pillar Two Model Rules

On 20 June 2023, the government of the UK, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company is required to pay in the UK, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The current financial year is the first period for which a Pillar Two return is required. Based on the Group's assessment, the Group has no exposure to Pillar Two taxes in respect of the current year and, subject to further analysis and results, is not expected to be exposed to material Pillar Two tax liabilities in subsequent periods.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

### 10. Property, plant and equipment

| Group                                  | Leasehold<br>Property<br>\$000 | Furniture,<br>fittings, plant<br>and machinery<br>\$000 | Motor<br>vehicles<br>\$000 | Computer<br>equipment<br>\$000 | Total<br>\$000 |
|----------------------------------------|--------------------------------|---------------------------------------------------------|----------------------------|--------------------------------|----------------|
| <b>Cost:</b>                           |                                |                                                         |                            |                                |                |
| At 1 April 2023                        | 5,269                          | 5,078                                                   | 525                        | 17,166                         | 28,038         |
| Acquired                               | 74                             | 7                                                       | -                          | 4                              | 85             |
| Additions                              | 5,856                          | 1,458                                                   | 320                        | 4,655                          | 12,289         |
| Disposals                              | (59)                           | (107)                                                   | -                          | (79)                           | (245)          |
| Reclassifications <sup>(1)</sup>       | -                              | 630                                                     | -                          | (367)                          | 263            |
| Exchange differences                   | (17)                           | 90                                                      | (72)                       | (106)                          | (105)          |
| <b>At 31 March 2024</b>                | <b>11,123</b>                  | <b>7,156</b>                                            | <b>773</b>                 | <b>21,273</b>                  | <b>40,325</b>  |
| Acquired (note 14)                     | 76                             | 24                                                      | -                          | 281                            | 381            |
| Additions                              | 2,616                          | 1,175                                                   | 141                        | 2,362                          | 6,294          |
| Disposals                              | (32)                           | (64)                                                    | -                          | -                              | (96)           |
| Exchange differences                   | (207)                          | (156)                                                   | (33)                       | (395)                          | (791)          |
| <b>At 31 March 2025</b>                | <b>13,576</b>                  | <b>8,135</b>                                            | <b>881</b>                 | <b>23,521</b>                  | <b>46,113</b>  |
| <b>Depreciation:</b>                   |                                |                                                         |                            |                                |                |
| At 1 April 2023                        | 1,686                          | 1,064                                                   | 180                        | 5,111                          | 8,041          |
| Charge for the year                    | 1,963                          | 2,265                                                   | 179                        | 5,161                          | 9,568          |
| Reclassifications <sup>(1)</sup>       | -                              | 311                                                     | -                          | (71)                           | 240            |
| Exchange differences                   | 80                             | 46                                                      | (17)                       | (19)                           | 90             |
| <b>At 31 March 2024</b>                | <b>3,729</b>                   | <b>3,686</b>                                            | <b>342</b>                 | <b>10,182</b>                  | <b>17,939</b>  |
| Charge for the year                    | 2,150                          | 1,343                                                   | 173                        | 5,763                          | 9,429          |
| Exchange differences                   | (132)                          | (130)                                                   | (13)                       | (230)                          | (505)          |
| <b>At 31 March 2025</b>                | <b>5,747</b>                   | <b>4,899</b>                                            | <b>502</b>                 | <b>15,715</b>                  | <b>26,863</b>  |
| <b>Carrying amounts:</b>               |                                |                                                         |                            |                                |                |
| <b>Net book value at 31 March 2024</b> | <b>7,394</b>                   | <b>3,470</b>                                            | <b>431</b>                 | <b>11,091</b>                  | <b>22,386</b>  |
| <b>Net book value at 31 March 2025</b> | <b>7,829</b>                   | <b>3,236</b>                                            | <b>379</b>                 | <b>7,806</b>                   | <b>19,250</b>  |

(1) Reclassifications between asset classes, including reclassification of software to computer equipment (see note 13).

## Notes to the financial statements

### 11. Right-of-use assets

The Group leases a number of leasehold properties, motor vehicles and office equipment.

During the year ended 31 March 2025 the Group recognised income of \$66,000 from subleasing its right-of-use assets (year ended 31 March 2024: \$398,000).

| Group                                  | Leasehold<br>Property | Furniture, fittings,<br>plant and<br>machinery | Motor vehicles | Total         |
|----------------------------------------|-----------------------|------------------------------------------------|----------------|---------------|
|                                        | \$000                 | \$000                                          | \$000          | \$000         |
| <b>Cost:</b>                           |                       |                                                |                |               |
| At 1 April 2023                        | 58,146                | 1,213                                          | 1,671          | 61,030        |
| Acquired                               | 356                   | -                                              | -              | 356           |
| Additions                              | 24,299                | 219                                            | 3,568          | 28,086        |
| Disposals                              | (15,009)              | (123)                                          | (1,180)        | (16,312)      |
| Exchange differences                   | (103)                 | (6)                                            | (21)           | (130)         |
| <b>At 31 March 2024</b>                | <b>67,689</b>         | <b>1,303</b>                                   | <b>4,038</b>   | <b>73,030</b> |
| Acquired (note 14)                     | 1,112                 | -                                              | -              | 1,112         |
| Additions                              | 18,021                | 122                                            | 412            | 18,555        |
| Disposals                              | (17,808)              | (1,147)                                        | (488)          | (19,443)      |
| Exchange differences                   | (92)                  | (5)                                            | 35             | (62)          |
| <b>At 31 March 2025</b>                | <b>68,922</b>         | <b>273</b>                                     | <b>3,997</b>   | <b>73,192</b> |
| <b>Depreciation:</b>                   |                       |                                                |                |               |
| At 1 April 2023                        | 20,018                | 430                                            | 866            | 21,314        |
| Charge for the year                    | 17,129                | 480                                            | 906            | 18,515        |
| Disposals                              | (12,202)              | (107)                                          | (1,122)        | (13,431)      |
| Exchange differences                   | (68)                  | (3)                                            | (8)            | (79)          |
| <b>At 31 March 2024</b>                | <b>24,877</b>         | <b>800</b>                                     | <b>642</b>     | <b>26,319</b> |
| Charge for the year                    | 17,758                | 469                                            | 1,298          | 19,525        |
| Disposals                              | (15,857)              | (1,142)                                        | (181)          | (17,180)      |
| Exchange differences                   | (71)                  | (2)                                            | 14             | (59)          |
| <b>At 31 March 2025</b>                | <b>26,707</b>         | <b>125</b>                                     | <b>1,773</b>   | <b>28,605</b> |
| <b>Carrying amounts:</b>               |                       |                                                |                |               |
| <b>Net book value at 31 March 2024</b> | <b>42,812</b>         | <b>503</b>                                     | <b>3,396</b>   | <b>46,711</b> |
| <b>Net book value at 31 March 2025</b> | <b>42,215</b>         | <b>148</b>                                     | <b>2,224</b>   | <b>44,587</b> |

## Notes to the financial statements

### 12. Investment in subsidiary undertakings

| Company                             | Investment in subsidiaries<br>\$000 |
|-------------------------------------|-------------------------------------|
| <b>Cost:</b>                        |                                     |
| At 1 April 2023                     | 2,014,934                           |
| <b>Additions</b>                    |                                     |
| Nature Midco Limited <sup>(1)</sup> | 8,429                               |
| <b>At 31 March 2024</b>             | <b>2,023,363</b>                    |
| <b>Additions</b>                    |                                     |
| Nature Midco Limited <sup>(1)</sup> | 10,232                              |
| <b>At 31 March 2025</b>             | <b>2,033,595</b>                    |

See note 27 for details of related undertakings.

(1) Equity-settled share-based payments to employees of subsidiaries (see note 22).

## Notes to the financial statements

### 13. Intangible assets

| Group                                  | Goodwill<br>\$000 | Brand<br>\$000 | Customer<br>relationships<br>\$000 | Customer<br>order books<br>\$000 | Software<br>\$000 | Development<br>costs<br>\$000 | Total<br>\$000   |
|----------------------------------------|-------------------|----------------|------------------------------------|----------------------------------|-------------------|-------------------------------|------------------|
| <b>Cost:</b>                           |                   |                |                                    |                                  |                   |                               |                  |
| At 1 April 2023                        | 1,670,166         | 223,239        | 1,101,003                          | 71,342                           | 24,210            | 3,767                         | 3,093,727        |
| Acquired                               | 6,584             | -              | 230                                | 86                               | -                 | -                             | 6,900            |
| Additions                              | -                 | -              | -                                  | -                                | 17,261            | 1,647                         | 18,908           |
| Reclassifications <sup>(1)</sup>       | -                 | -              | -                                  | -                                | (263)             | -                             | (263)            |
| Exchange differences                   | (6,501)           | (746)          | (4,078)                            | (441)                            | 232               | 84                            | (11,450)         |
| <b>At 31 March 2024</b>                | <b>1,670,249</b>  | <b>222,493</b> | <b>1,097,155</b>                   | <b>70,987</b>                    | <b>41,440</b>     | <b>5,498</b>                  | <b>3,107,822</b> |
| Acquired (note 14)                     | 7,698             | 191            | 3,384                              | 614                              | 191               | -                             | 12,078           |
| Additions                              | -                 | -              | -                                  | -                                | 7,539             | 2,064                         | 9,603            |
| Disposals                              | -                 | -              | -                                  | -                                | (1,408)           | -                             | (1,408)          |
| Exchange differences                   | (2,604)           | (512)          | (3,764)                            | (509)                            | 504               | 188                           | (6,697)          |
| <b>At 31 March 2025</b>                | <b>1,675,343</b>  | <b>222,172</b> | <b>1,096,775</b>                   | <b>71,092</b>                    | <b>48,266</b>     | <b>7,750</b>                  | <b>3,121,398</b> |
| <b>Amortisation and impairment:</b>    |                   |                |                                    |                                  |                   |                               |                  |
| At 1 April 2023                        | 96,461            | 16,443         | 93,765                             | 71,131                           | 6,659             | -                             | 284,459          |
| Charge for the year                    | -                 | 11,956         | 66,348                             | 236                              | 6,557             | -                             | 85,097           |
| Impairment                             | 101,983           | -              | -                                  | -                                | -                 | -                             | 101,983          |
| Reclassifications <sup>(1)</sup>       | -                 | -              | -                                  | -                                | (240)             | -                             | (240)            |
| Exchange differences                   | 672               | (89)           | (616)                              | (444)                            | 17                | -                             | (460)            |
| <b>At 31 March 2024</b>                | <b>199,116</b>    | <b>28,310</b>  | <b>159,497</b>                     | <b>70,923</b>                    | <b>12,993</b>     | <b>-</b>                      | <b>470,839</b>   |
| Charge for the year                    | -                 | 11,327         | 66,184                             | 223                              | 8,988             | -                             | 86,722           |
| Impairment recognised                  | -                 | -              | -                                  | -                                | 1,708             | -                             | 1,708            |
| Disposals                              | -                 | -              | -                                  | -                                | (1,408)           | -                             | (1,408)          |
| Exchange differences                   | (1,554)           | (65)           | (753)                              | (487)                            | 152               | -                             | (2,707)          |
| <b>At 31 March 2025</b>                | <b>197,562</b>    | <b>39,572</b>  | <b>224,928</b>                     | <b>70,659</b>                    | <b>22,433</b>     | <b>-</b>                      | <b>555,154</b>   |
| <b>Carrying amounts:</b>               |                   |                |                                    |                                  |                   |                               |                  |
| <b>Net book value at 31 March 2024</b> | <b>1,471,133</b>  | <b>194,183</b> | <b>937,658</b>                     | <b>64</b>                        | <b>28,447</b>     | <b>5,498</b>                  | <b>2,636,983</b> |
| <b>Net book value at 31 March 2025</b> | <b>1,477,781</b>  | <b>182,600</b> | <b>871,847</b>                     | <b>433</b>                       | <b>25,833</b>     | <b>7,750</b>                  | <b>2,566,244</b> |

(1) Reclassification of assets previously recognised in software to computer equipment, as this is deemed a more appropriate classification.

#### Goodwill impairment and fair value assessment

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to CGUs or group of CGUs ("regional CGU") and is not amortised but tested annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable. A CGU is identified as the lowest aggregation of assets that generates largely independent cash inflows at which goodwill and intangible assets are monitored within the Group. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell ("FVLCS").

Management has reviewed the carrying value of the goodwill for each regional CGU using the Group's fair value less cost to sell model. The Group has adopted the discounted cash flow method to determine the FVLCS of the regional CGUs. This approach is determined to be Level 3 in the fair value hierarchy.

## Notes to the financial statements

### 13. Intangible assets (continued)

#### *Goodwill impairment and fair value assessment (continued)*

The cash flow projections use an initial three year period derived from the Group's most recent business plan, risk adjusted and approved by the Directors, with an extrapolation for a further seven years using a systematically declining growth rate and applying a long-term growth rate from year 11 onwards. The cash flows reflect management's expectations of future outcomes, based on past and current experience and expectations of the medium to long term growth prospects for the sector, after considering economic and business risks facing the Group.

Management consider the key assumptions used to be the discount rates and the long-term growth rate applied to extrapolate the cash flows into perpetuity. The discount rates reflect the risks inherent in the subject cash flows, as well as the time value of money. The long term growth rates for each of the CGUs (for the terminal year) have been determined based on the expected long term inflation rates of the countries that make up each regional CGU.

The level at which impairment is tested reflects the lowest level at which goodwill and intangible assets are monitored for internal reporting purposes. The carrying amount of goodwill recorded in the regional CGUs, after impairments recognised, is set out below:

|                                  | As at<br>31 March 2025 | As at<br>31 March 2024 |
|----------------------------------|------------------------|------------------------|
| Regional CGU                     | \$000                  | \$000                  |
| Europe, Middle East and Africa   | 314,768                | 312,004                |
| Asia Pacific                     | 248,763                | 247,464                |
| Latin America and Caribbean      | 26,036                 | 30,514                 |
| North America                    | 888,214                | 881,151                |
| <b>Total value<sup>(1)</sup></b> | <b>1,477,781</b>       | <b>1,471,133</b>       |

(1) Including exchange differences after retranslation into USD at the year end.

|                              | Discount<br>rates<br>31 March 2025 | Terminal growth<br>rates<br>31 March 2025 | Discount<br>rates<br>31 March 2024 | Terminal growth<br>rates<br>31 March 2024 |
|------------------------------|------------------------------------|-------------------------------------------|------------------------------------|-------------------------------------------|
| Regional CGU                 | %                                  | %                                         | %                                  | %                                         |
| Europe, Middle East & Africa | 9.3                                | 3.0                                       | 10.6                               | 2.1                                       |
| Asia Pacific                 | 10.0                               | 3.5                                       | 11.5                               | 2.2                                       |
| Latin America & Caribbean    | 13.8                               | 3.5                                       | 16.5                               | 2.6                                       |
| North America                | 9.0                                | 3.0                                       | 10.4                               | 2.0                                       |

No impairment was recognised during the year ended 31 March 2025.

During the year ended 31 March 2024 the Group recognised goodwill impairments of \$101,983,000 (\$45,533,000 Europe, Middle East & Africa CGU; \$22,780,000 Asia Pacific CGU; and \$33,670,000 Latin American & Caribbean CGU). This was largely attributable to more modest cash flow projections reflecting current economic uncertainty. No impairment was recognised in the North America CGU.

## Notes to the financial statements

### 13. Intangible assets (continued)

#### *Sensitivity to changes in assumptions*

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each regional CGU to which goodwill is allocated.

The Group considers that the FVLCS is most sensitive to the discount rate and has considered reasonably possible changes to the discount rate. An increase of 2% to the discount rate for the Latin American & Caribbean CGU would result in an impairment charge of \$10 million. There is no reasonably possible change to discount rates for the other regional CGUs that would result in an impairment.

### 14. Business combinations

#### *Acquisitions during the year ended 31 March 2025*

The fair values of the identifiable assets acquired and liabilities assumed of companies acquired in the year as at the date of acquisition were as follows:

|                                                | <b>Total<br/>\$000</b> |
|------------------------------------------------|------------------------|
| Identifiable intangible assets: <sup>(1)</sup> |                        |
| Brand                                          | 191                    |
| Customer relationships                         | 3,384                  |
| Customer order books                           | 614                    |
| Software                                       | 191                    |
| Property, plant and equipment                  | 381                    |
| Right of use assets                            | 1,112                  |
| Trade and other receivables                    | 3,639                  |
| Cash                                           | 1,302                  |
| Trade and other payables                       | (4,080)                |
| Lease liabilities                              | (1,112)                |
| Deferred tax (net)                             | (990)                  |
| Current tax (net)                              | (104)                  |
| <b>Total identifiable assets</b>               | <b>4,528</b>           |
| Add: Goodwill <sup>(2)</sup>                   | 7,698                  |
| <b>Net assets acquired</b>                     | <b>12,226</b>          |
| Satisfied by:                                  |                        |
| Cash                                           | 12,226                 |
| <b>Total</b>                                   | <b>12,226</b>          |

(1) In accordance with IFRS 3 "Business Combinations" the identifiable intangible assets that were acquired relate to the fair value of customer relationships and customer order books.

(2) The goodwill is principally attributable to the skills and technical talent of the acquired workforce, earnings attributable to future new customers; opportunities from expansion into new geographies and the synergies expected to be achieved from integrating the companies into ERM.

## Notes to the financial statements

### 14. Business combinations (continued)

#### (a) *Energetics*

On 31 July 2024, ERM Emilion Australia Pty Ltd completed the acquisition of Energetics Group Holdings Pty. Limited and its subsidiary Energetics Pty Ltd (together, "Energetics"). The transaction was conducted via the acquisition of 100% of the issued shares in Energetics Group Holdings Pty. Limited

Energetics strengthens ERM's position as the leading climate change advisory business in Australia and New Zealand, and adds depth and strength to the following existing services: sustainability strategy & climate risk; decarbonization technologies and sustainable energy solutions; energy accounting and reporting; and energy and carbon markets. In addition, acquiring Energetics expands the ERM offer to include financial quantification for climate risk assessment and an Australian Financial Services License to enhance our carbon markets offering.

Cash consideration of \$12,226,000 (AUD 18,656,000) was paid during the year ended 31 March 2025.

From the date of acquisition, Energetics contributed \$8,458,000 of net revenue and \$740,000 of operating profit (excluding costs of acquisition). If the acquisition had occurred at the beginning of FY25, Energetics would have contributed an additional \$4,488,000 of net revenue (unaudited) and \$458,000 of operating profit (unaudited).

#### (b) *Other acquisition related costs paid and accrued during the year ended 31 March 2025*

Acquisition of subsidiaries net of cash acquired per the cash flow statement is \$11,960,000. This consists of:

- i. Energetics cash consideration disclosed above (\$12,226,000) net of cash acquired (\$1,302,000); and
- ii. Deferred consideration of \$1,036,000 paid in respect of subsidiaries acquired in prior years; accrued upon acquisition.

Payment of transaction costs per the cash flow statement is \$7,391,000. This consists of:

- iii. Payments of \$4,675,000 in respect of subsidiaries acquired in prior years; linked to employment and hence accrued in the current year as a post-acquisition expense once the conditions for payment were met;
- iv. Refund of \$750,000 held in escrow in respect of a subsidiary acquired in a prior year; and
- v. Other acquisition related costs of \$3,466,000, principally related to pre-acquisition due diligence costs

The net transaction costs of \$8,173,000 reported in the income statement consists of iii and v above, adjusted for accruals.

## Notes to the financial statements

### 14. Business combinations (continued)

#### *Acquisitions during the year ended 31 March 2024*

##### **(c) The Big Group**

On 1 March 2024, ERM completed the acquisition of The Big Middle and The Big Zero ("The Big Group"), Australian enterprise system specialists who are experts in Salesforce, Oracle, and WalkMe technologies. Combined with ERM's consultancy services and its partnership with Salesforce, The Big Zero's expertise in ESG accounting systems will support clients in establishing a unified source of environmental data. The Big Middle will continue as one of Australia's leading technology service providers focused on systems integration of enterprise solutions, including onboarding and training of customers in Australia and New Zealand. The transaction was completed via the purchase of 100% of the issued shares in The Big Zero Australia Pty Ltd.

Cash consideration of \$5,988,000 was paid during the year ended 31 March 2024, being the initial payment of \$6,152,000 (AUD 9,372,000) less an estimated net debt and working capital adjustment of \$164,000 (AUD 250,000). In addition the Group paid \$455,000 (AUD 693,000) to settle transaction expenses and other liabilities of The Big Group.

Deferred payments of up to AUD 2,550,000, are dependent upon continued employment of certain individuals and hence will be accrued as a post-acquisition expense once the conditions for payment have been met.

##### **(d) Other acquisition of subsidiary undertakings costs paid and accrued during the year ended 31 March 2024**

Acquisition of subsidiaries net of cash acquired per the cash flow statement is \$12,738,000. This consists of The Big Group cash consideration disclosed in (c) above (\$5,988,000) net of cash acquired (\$23,000); \$455,000 The Big Group other payments; and \$6,318,000 paid in respect of subsidiaries acquired in prior years.

The net transaction credit of \$19,776,000 reported in the income statement consists of: \$25,000,000 release of an earn-out accrual in respect of a subsidiary acquired in a prior year; \$3,464,000 deferred payments to subsidiaries acquired in prior years; and other acquisition related expenses of \$1,760,000.

## Notes to the financial statements

### 15. Deferred tax assets and liabilities

The deferred tax movement is as follows:

| Group                                                                                       | \$000            |
|---------------------------------------------------------------------------------------------|------------------|
| At 1 April 2023                                                                             | (284,977)        |
| Acquisition of The Big Zero                                                                 | (53)             |
| Credit for the year recognised in income statement (note 9(a))                              | 22,855           |
| Deferred tax on retranslation of intangible assets recognised in other comprehensive income | 1,276            |
| Exchange and other differences recognised in other comprehensive income                     | (370)            |
| <b>At 31 March 2024</b>                                                                     | <b>(261,269)</b> |
| Acquisition of Energetics (note 14)                                                         | (990)            |
| Credit for the year recognised in income statement ((note 9(a))                             | 25,364           |
| Deferred tax on retranslation of intangible assets recognised in other comprehensive income | 1,378            |
| Exchange and other differences recognised in other comprehensive income                     | (1,480)          |
| <b>At 31 March 2025</b>                                                                     | <b>(236,997)</b> |

The deferred tax balances have been reflected in the consolidated statement of financial position as follows:

| Group                                   | 31 March 2025<br>\$000 | 31 March 2024<br>\$000 |
|-----------------------------------------|------------------------|------------------------|
| Included within non-current assets      | 79,509                 | 74,311                 |
| Included within non-current liabilities | (316,506)              | (335,580)              |
|                                         | <b>(236,997)</b>       | <b>(261,269)</b>       |

The deferred tax recognised is comprised of the following:

| Group                                                  | 31 March 2025<br>Assets<br>\$000 | 31 March 2025<br>Liabilities<br>\$000 | 31 March 2024<br>Assets<br>\$000 | 31 March 2024<br>Liabilities<br>\$000 |
|--------------------------------------------------------|----------------------------------|---------------------------------------|----------------------------------|---------------------------------------|
| Depreciation in advance of capital allowances          | 3,132                            | -                                     | -                                | -                                     |
| Goodwill                                               | 5,201                            | -                                     | -                                | -                                     |
| Intercompany costs deductible once paid <sup>(1)</sup> | 9,004                            | (3,409)                               | 12,085                           | -                                     |
| Pensions                                               | 1,314                            | -                                     | 1,572                            | -                                     |
| Bonuses                                                | 2,397                            | -                                     | 2,910                            | -                                     |
| Bad / doubtful debts                                   | 2,879                            | -                                     | 2,101                            | -                                     |
| Intangible assets                                      | -                                | (299,955)                             | -                                | (312,425)                             |
| Tax losses                                             | 24,704                           | -                                     | 23,555                           | -                                     |
| Vacation accruals                                      | 5,621                            | -                                     | 5,355                            | -                                     |
| Foreign exchange timing differences                    | -                                | -                                     | -                                | (4,435)                               |
| Interest restrictions                                  | 9,925                            | -                                     | 9,536                            | -                                     |
| Leases                                                 | 11,988                           | (11,490)                              | 13,010                           | (12,525)                              |
| Other timing differences                               | 3,344                            | (1,652)                               | 4,187                            | (6,195)                               |
| <b>Deferred tax assets / (liabilities)</b>             | <b>79,509</b>                    | <b>(316,506)</b>                      | <b>74,311</b>                    | <b>(335,580)</b>                      |

(1) The 31 March 2024 intercompany costs deductible once paid deferred tax asset of \$12,085,000 is net of an associated deferred tax liability of \$3,212,000.

## Notes to the financial statements

### 15. Deferred tax assets and liabilities (continued)

The deferred tax balances are measured at 25% as at 31 March 2025 and 31 March 2024.

At the balance sheet date, the Group has unrecognised deferred tax assets of \$41,912,000 (2024: \$40,684,000). This includes a deferred tax asset of \$38,534,000 (2024: \$35,685,000) relating to unutilised UK interest expenses which are carried forward to future periods and do not have an expiry date. This deferred tax asset is not considered to satisfy the recognition criteria due to uncertainty regarding the level and suitability of future taxable profits.

### 16. Trade and other receivables

|                                                     | Group<br>31 March 2025<br>\$000 | Company<br>31 March 2025<br>\$000 | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 |
|-----------------------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| Trade receivables (net of allowance) <sup>(1)</sup> | 210,273                         | -                                 | 193,000                         | -                                 |
| Amounts recoverable on contracts                    | 162,521                         | -                                 | 137,704                         | -                                 |
| Amounts due from Group undertakings <sup>(2)</sup>  | -                               | 31,431                            | -                               | -                                 |
| Other receivables <sup>(3)</sup>                    | 12,074                          | 169                               | 11,637                          | 303                               |
| Prepayments                                         | 20,380                          | -                                 | 19,044                          | -                                 |
| Prepayments to departing shareholders (note 18(d))  | 4,122                           | 4,122                             | -                               | -                                 |
| Net investment in sublease                          | -                               | -                                 | 67                              | -                                 |
| <b>Total <sup>(4)</sup></b>                         | <b>409,370</b>                  | <b>35,722</b>                     | <b>361,452</b>                  | <b>303</b>                        |

(2) Trade receivables is disclosed net of a loss allowance of \$8,380,000 (2024: \$8,508,000).

(3) During the year ended 31 March 2025 the Company received dividend income of \$158.5 million, of which \$60 million was settled through intercompany loans (2024: nil).

(4) Assets totalling \$549,000 that were presented within Group other receivables in the prior year financial statements have been reclassified to other investments on the face of the statement of financial position to better reflect the nature of the assets.

(5) Interest rate hedges at fair value of \$17,262,000 that were presented within Group trade and other receivables in the prior year financial statements are now presented on the face of the statement of financial position.

The average credit period taken on trade receivables, calculated by reference to the net amount owed at the year end as a proportion of total revenue in the year was 54.3 days.

The Group receives payments from customers based on a billing schedule, as established in the contract. Trade receivables and amounts recoverable on contracts are recognised when the right to consideration becomes unconditional.

The current amounts due from Group undertakings for operational loans carry interest rates of three month local currency Term SOFR (1 month) + 3.52% and for structural loans carry interest rates of three month local currency Term SOFR + 3.92%. Amounts due from Group undertakings are repayable on demand.

## Notes to the financial statements

### 16. Trade and other receivables (continued)

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

| <b>31 March 2025</b>                   | <b>Not past due<br/>\$000</b> | <b>1-30 days<br/>\$000</b> | <b>31-60 days<br/>\$000</b> | <b>61-90 days<br/>\$000</b> | <b>&gt;90 days<br/>\$000</b> | <b>Total<br/>\$000</b> |
|----------------------------------------|-------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| Expected credit loss rate              | 0.3%                          | 0.4%                       | 1.0%                        | 2.8%                        | 34.7%                        | 3.8%                   |
| Total gross carrying amount at default | 132,550                       | 43,707                     | 10,974                      | 10,126                      | 21,296                       | 218,653                |
| Lifetime ECL                           | 400                           | 190                        | 113                         | 279                         | 7,398                        | 8,380                  |

| <b>31 March 2024</b>                   | <b>Not past due<br/>\$000</b> | <b>1-30 days<br/>\$000</b> | <b>31-60 days<br/>\$000</b> | <b>61-90 days<br/>\$000</b> | <b>&gt;90 days<br/>\$000</b> | <b>Total<br/>\$000</b> |
|----------------------------------------|-------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------|
| Expected credit loss rate              | 0.3%                          | 0.5%                       | 1.2%                        | 3.2%                        | 40.4%                        | 4.2%                   |
| Total gross carrying amount at default | 140,950                       | 27,929                     | 8,801                       | 4,786                       | 19,042                       | 201,508                |
| Lifetime ECL                           | 407                           | 150                        | 109                         | 155                         | 7,687                        | 8,508                  |

The following table details the risk profile for amounts recoverable on contracts based on the Group's provision matrix.

|                             | <b>31 March 2025<br/>\$000</b> | <b>31 March 2024<br/>\$000</b> |
|-----------------------------|--------------------------------|--------------------------------|
| Expected credit loss rate   | 2.3%                           | 3.6%                           |
| Total gross carrying amount | 166,425                        | 142,894                        |
| Lifetime ECL                | 3,904                          | 5,190                          |

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables and amounts recoverable on contracts in accordance with the simplified approach set out in IFRS 9.

|                          | <b>Year ended<br/>31 March 2025<br/>\$000</b> | <b>Year ended<br/>31 March 2024<br/>\$000</b> |
|--------------------------|-----------------------------------------------|-----------------------------------------------|
| At 1 April               | 13,698                                        | 13,382                                        |
| Unused amounts reversed  | (7,638)                                       | (6,755)                                       |
| Change in loss allowance | 6,224                                         | 7,071                                         |
| <b>At 31 March</b>       | <b>12,284</b>                                 | <b>13,698</b>                                 |

## Notes to the financial statements

### 17. Trade and other payables

|                                                        | Group          | Company       | Group          | Company       |
|--------------------------------------------------------|----------------|---------------|----------------|---------------|
|                                                        | 31 March 2025  | 31 March 2025 | 31 March 2024  | 31 March 2024 |
|                                                        | \$000          | \$000         | \$000          | \$000         |
| Trade payables                                         | 51,518         | -             | 33,269         | -             |
| Other taxes and social security costs                  | 17,336         | -             | 19,389         | -             |
| Bills in advance <sup>(1)</sup>                        | 107,260        | -             | 102,307        | -             |
| Accrued expenses and other payables <sup>(1) (2)</sup> | 272,353        | 2,422         | 281,683        | 2,699         |
| Amounts due to departing shareholders                  | 404            | 404           | 288            | 288           |
| Amounts due to Group undertakings                      | -              | 5,222         | -              | 23,791        |
| <b>Total <sup>(3)</sup></b>                            | <b>448,871</b> | <b>8,048</b>  | <b>436,936</b> | <b>26,778</b> |

(1) Accrued expenses and other payables include \$92 million relating to deposits paid by customers to ReachCentrum SA, a subsidiary of the Group (2024: \$105 million). Bills in advance include \$43 million relating to work to be completed on ReachCentrum SA products (2024: \$40 million). Refer to note 19.

(2) Accrued expenses and other payables include \$21 million relating to deposits paid by Government bodies (2024: \$21 million). Refer to note 19.

(3) Interest rate hedges at fair value of \$652,000 that were presented within Group trade and other payables in the prior year financial statements are now presented on the face of the statement of financial position.

The Directors consider that the carrying amount of trade payables is approximate to their fair value.

Bills in advance relates to payments received in advance of performance under the contract which are recognised as revenue as (or when) the Group performs under the contract.

The current amounts due to Group undertakings by the Company for operational loans carry interest rates of three month local currency Term SOFR (1 month) + 3.52% and for structural loans carry interest rates of three month local currency Term SOFR + 3.92%. Amounts due to Group undertakings are repayable on demand.

## Notes to the financial statements

### 18. Borrowings

|                                 | Group<br>31 March 2025<br>\$000 | Company<br>31 March 2025<br>\$000 | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 |
|---------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| <b>Current liabilities:</b>     |                                 |                                   |                                 |                                   |
| Secured bank loans              | 5,350                           | -                                 | 5,350                           | -                                 |
| Promissory notes                | 7,424                           | 7,424                             | 3,825                           | 3,825                             |
|                                 | <b>12,774</b>                   | <b>7,424</b>                      | <b>9,175</b>                    | <b>3,825</b>                      |
| <b>Non-current liabilities:</b> |                                 |                                   |                                 |                                   |
| Secured bank loans              | 1,090,831                       | -                                 | 997,452                         | -                                 |
| "A" preference shares           | 188,223                         | 188,223                           | 185,380                         | 185,380                           |
| "B" preference shares           | 2,309,100                       | 2,309,100                         | 2,212,520                       | 2,212,520                         |
| Promissory notes                | 3,087                           | 3,087                             | 7,151                           | 7,151                             |
|                                 | <b>3,591,241</b>                | <b>2,500,410</b>                  | <b>3,402,503</b>                | <b>2,405,051</b>                  |
| <b>Total borrowings</b>         | <b>3,604,015</b>                | <b>2,507,834</b>                  | <b>3,411,678</b>                | <b>2,408,876</b>                  |

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 26.

The total borrowings fall due as follows:

|                                    | Group<br>31 March 2025<br>\$000 | Company<br>31 March 2025<br>\$000 | Group<br>31 March 2024<br>\$000 | Company<br>31 March 2024<br>\$000 |
|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|-----------------------------------|
| <i>Amounts falling due:</i>        |                                 |                                   |                                 |                                   |
| within one year                    | 12,774                          | 7,424                             | 9,175                           | 3,825                             |
| in one to two years                | 7,981                           | 3,087                             | 12,063                          | 7,151                             |
| in two to five years               | 1,111,108                       | -                                 | 1,021,568                       | -                                 |
| over five years                    | 2,497,323                       | 2,497,323                         | 2,397,900                       | 2,397,900                         |
|                                    | 3,629,186                       | 2,507,834                         | 3,440,706                       | 2,408,876                         |
| Less: unamortised debt issue costs | (25,171)                        | -                                 | (29,028)                        | -                                 |
| <b>Total borrowings</b>            | <b>3,604,015</b>                | <b>2,507,834</b>                  | <b>3,411,678</b>                | <b>2,408,876</b>                  |

## Notes to the financial statements

### 18. Borrowings (continued)

#### (a) Terms and repayment schedule

The terms and conditions of outstanding loans are set out below.

| In \$000                                   | Currency | Nominal interest rate <sup>(2)</sup> | Year of maturity | 31 March 2025    |                  | 31 March 2024    |                  |
|--------------------------------------------|----------|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                            |          |                                      |                  | Face value       | Carrying amount  | Face value       | Carrying amount  |
| Senior credit facility <sup>(1)</sup>      | USD      | 3M USD SOFR + 3.00%                  | 2028             | 506,362          | 501,235          | 511,712          | 510,183          |
| Senior credit facility <sup>(1)</sup>      | EURO     | 3M EURIBOR + 3.75%                   | 2028             | 632,847          | 620,117          | 531,492          | 521,647          |
| <b>Total senior credit facility</b>        |          |                                      |                  | <b>1,139,209</b> | <b>1,121,352</b> | <b>1,043,204</b> | <b>1,031,830</b> |
| Revolving credit facility                  | USD      | See note (3) below                   | 2027             | -                | -                | -                | -                |
| <b>Total secured bank loans</b>            |          |                                      |                  | <b>1,139,209</b> | <b>1,121,352</b> | <b>1,043,204</b> | <b>1,031,830</b> |
| Less: unamortised debt issue costs         |          |                                      |                  | (25,171)         | (25,171)         | (29,028)         | (29,028)         |
| <b>Total debt, net of debt issue costs</b> |          |                                      |                  | <b>1,114,038</b> | <b>1,096,181</b> | <b>1,014,176</b> | <b>1,002,802</b> |
|                                            |          |                                      |                  |                  |                  |                  |                  |
| "A" preference shares                      | USD      | 8% fixed                             |                  | 188,223          | 188,223          | 185,380          | 185,380          |
| "B" preference shares                      | USD      | 8% fixed                             |                  | 2,309,100        | 2,309,100        | 2,212,520        | 2,212,520        |
| Promissory notes                           | USD      | 3% fixed                             |                  | 10,511           | 10,511           | 10,976           | 10,976           |
| <b>Total borrowings</b>                    |          |                                      |                  | <b>3,621,872</b> | <b>3,604,015</b> | <b>3,423,052</b> | <b>3,411,678</b> |

(1) Subject to a 3M USD SOFR / EURIBOR 0.00% floor.

(2) Nominal interest rate as at 31 March 2025

(3) The Revolving credit facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1-month Term SOFR on USD denominated draws, subject to a 0% floor.

## Notes to the financial statements

### 18. Borrowings (continued)

#### **(b) Bank loans**

The Group's credit facilities at 31 March 2025 comprise the following:

- (i) \$506.4 million USD denominated first lien term debt fully drawn but reduced from \$535 million by mandatory repayments. The facility is repaid at 0.25% (\$1.3 million) per quarter with the remaining balance repayable on 11 July 2028. The debt carries an interest rate of 3.00% above 3 month USD SOFR subject to a 0% floor.

During the year ended 31 March 2025, the Group agreed a repricing of this debt from 3.75% to 3.00% above 3 month USD SOFR, effective from 4 February 2025. A fair value gain of \$4.0 million in respect of this modification is reported within financial income.

During the year ended 31 March 2025, the Group repaid \$5.4 million USD. At 31 March 2025, the undiscounted principal balance outstanding was \$506.4 million with a carrying value of \$501.2 million.

- (ii) €585.0 million EUR denominated first lien term debt fully drawn. The facility is repayable on 11 July 2028 and carries an interest rate of 3.75% above 3 month EURIBOR subject to a 0% floor.

On 7 October 2024, the Group added €90.0 million EUR denominated debt consolidating and harmonising under the terms of the first lien debt. A fair value gain of \$5.0 million in respect of this modification is reported within financial income.

At 31 March 2025, the undiscounted principal balance outstanding was \$632.8 million (€585.0 million revalued to the balance sheet foreign exchange rate) with a carrying value of \$620.1 million (€573.3 million revalued to the balance sheet foreign exchange rate).

- (iii) \$238.0 million of the multi-currency revolving credit facility, repayable on 12 July 2027. The facility carries an interest rate of 3.35% plus a credit spread adjustment of 0.11448% above 1 month Term SOFR on USD denominated draws, subject to a 0% floor.

The Group did not draw on the facility during the year ended 31 March 2025. At 31 March 2025, the revolving credit facility was undrawn, although \$6.5 million of the facility was utilised as security for bank guarantees.

#### **(c) Debt issue costs**

During the year ended 31 March 2025, the Group capitalised debt issue costs of \$4,119,000 in respect of modifications to the Group's credit facilities (2024: \$1,717,000). The unamortised debt issue costs balance of \$25,171,000 as at 31 March 2025 (2024: \$29,028,000) represents capitalised debt issue costs less amounts amortised to date and minor exchange rate movements.

#### **(d) "A" preference shares and promissory notes**

"A" preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The "A" preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier. The "A" preference shares balance at 31 March 2025 is \$188,223,000 and includes \$37,046,000 of cumulative preferential dividend (31 March 2024: \$185,380,000, including \$30,899,000 of cumulative preferential dividend). The "A" preference shares in issue are held by the ERM Partners.

During the year ended 31 March 2025, the Company issued 5,496,381 "A" preference shares (2024: 10,447,272) at US\$0.01 nominal value and US\$0.99 share premium each to the ERM Partners.

## Notes to the financial statements

### 18. Borrowings (continued)

#### *(d) "A" preference shares and promissory notes (continued)*

An Employee Benefit Trust (EBT) has been set up to acquire shares repurchased from shareholders. The trust is maintained in the Channel Islands and is managed by Ocorian Limited, an organisation independent of ERM. The EBT acquires all ordinary and preference shares re-purchased from departing shareholders, settled partially through cash and partially by the issuing of two-year promissory notes which accrue interest at 3.0% per annum.

During the year ended 31 March 2025, 14,451 "A" ordinary shares, 206,517 "C" ordinary shares, 2,241 "D" ordinary shares and 2,176,264 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including an amount equal to the accrued dividend payable of \$391,000 on the preference shares) for \$1,432,000 cash and \$1,359,000 issue of promissory notes. A further 9,711 "C" ordinary shares were acquired by the EBT from current shareholders and the consideration reallocated to the issue of preference shares to those shareholders.

During the year ended 31 March 2025, there were further share repurchases by the EBT from departing shareholders for which the transfers had not been registered on the official share register as at 31 March 2025. A total of 40,230 "A" ordinary shares, 239,437 "C" ordinary shares, 8,964 "D" ordinary shares and 3,103,593 "A" preference shares were acquired by the EBT but were not showing as having been transferred on the official share register as at 31 March 2025. This was settled during the year (including an amount equal to the accrued dividend payable of \$731,000 on the preference shares) for \$2,061,000 cash and \$2,061,000 issue of promissory notes. The cash payment is reflected in the consolidated cash flow statement and the promissory notes have been issued. However, as the official share register had not been updated as at 31 March 2025 these amounts remain outstanding in the 31 March 2025 preference share balance and ordinary shares in issue. An offsetting prepayment to departing shareholders of \$4,122,000 has been recognised within trade and other receivables (note 16).

During the year ended 31 March 2025 the EBT also acquired 6,623,708 "A" preference shares from eligible current shareholders as part of a planned liquidity event. This was settled for cash of \$8,464,000, including an amount equal to the accrued dividend payable of \$1,840,000 on the preference shares (2024: \$nil).

In the consolidated cash flow statement payments to shareholders of \$12,054,000 consists of the above payments to departing shareholders (\$1,432,000); payments where the share repurchases are not yet registered on the official share register (\$2,061,000); liquidity event (\$8,464,000); and also includes settlement of prior year deferred consideration (\$97,000).

During the year ended 31 March 2025 the Company also declared and paid \$6,263,000 of the accrued preferential dividend due to the "A" preference shareholders (2024: \$nil).

During the year ended 31 March 2024, a total of 183,753 "A" ordinary shares, 334,837 "C" ordinary shares, 3,735 "D" ordinary shares and 13,707,593 "A" preference shares were acquired by the EBT from departing shareholders. This was settled (including an amount equal to the accrued dividend payable of \$2,175,000 on the preference shares) for \$8,046,000 cash, \$289,000 deferred consideration payable; and \$8,070,000 issue of promissory notes. In addition, \$4,963,000 of deferred consideration payable from the prior year was settled, giving a total cash payment to departing shareholders during the year ended 31 March 2024 of \$13,009,000.

During the year ended 31 March 2025 the Group cash paid \$3,672,000 in settlement of maturing promissory notes (2024: \$2,057,000).

## Notes to the financial statements

### 18. Borrowings (continued)

#### (e) "B" preference shares

"B" preference shares carry the right to a fixed cumulative preferential dividend of 8% compounded quarterly. The "B" preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier. The "B" preference shares in issue are held by Nature Topco UK Limited, the Company's parent company.

No "B" preference shares were issued during the years ended 31 March 2025 or 31 March 2024.

During the year ended 31 March 2025 the Company declared and paid \$83,737,000 of the accrued preferential dividend due to the sole "B" preference shareholder Nature Topco UK Limited (2024: \$nil).

The "B" preference shares balance at 31 March 2025 is \$2,309,100,000 and includes \$489,175,000 of cumulative preferential dividend (31 March 2024: \$2,212,520,000, including \$392,595,000 of cumulative preferential dividend).

### 19. Net Debt

#### Analysis of net debt

|                                              | At 31 March<br>2024<br>\$000 | Cash flow<br>\$000 | Exchange<br>difference<br>\$000 | Other non<br>cash flow<br>\$000 | At 31 March<br>2025<br>\$000 |
|----------------------------------------------|------------------------------|--------------------|---------------------------------|---------------------------------|------------------------------|
| Cash at bank and on hand                     | 95,130                       | 43,756             | 1,000                           | -                               | 139,886                      |
| Money market deposits                        | 97,743                       | (78,172)           | (2,670)                         | -                               | 16,901                       |
| Cash and cash equivalents <sup>(1) (2)</sup> | 192,873                      | (34,416)           | (1,670)                         | -                               | 156,787                      |
| Debt due within one year                     | (9,175)                      | 96,232             | -                               | (99,831)                        | (12,774)                     |
| Debt due after one year <sup>(3)</sup>       | (3,402,503)                  | (2,625)            | (724)                           | (185,389)                       | (3,591,241)                  |
| Lease liabilities <sup>(3)</sup>             | (48,790)                     | 21,593             | 2                               | (20,452)                        | (47,647)                     |
| Financing liabilities                        | (3,460,468)                  | 115,200            | (722)                           | (305,672)                       | (3,651,662)                  |
| <b>Total</b>                                 | <b>(3,267,595)</b>           | <b>80,784</b>      | <b>(2,392)</b>                  | <b>(305,672)</b>                | <b>(3,494,875)</b>           |

(1) The 31 March 2025 cash balance includes \$131 million of cash originally deposited with ReachCentrum SA (31 March 2024: \$138 million). ReachCentrum SA is a wholly owned subsidiary of the Group and provides administrative support to companies acting in consortia to register chemical substances under the REACH EU regulations. The cash deposited with ReachCentrum SA represents deposits received from consortium members, to be deployed on registrations and subsequent evaluations required under the REACH processes, with any excess funds required to be returned to members of the consortium if requested. A liability of \$135 million held within trade and other payables (refer to note 17) relates to the obligations towards these consortium members.

(2) The 31 March 2025 cash balance includes \$21 million of cash held on behalf of government bodies (31 March 2024: \$21 million). Certain wholly owned subsidiaries of the Group provide administrative support to companies participating in government funded research projects. Deposits are received in advance from various government bodies and released to the external project participants on completion of approved project milestones. A liability of \$21 million held within accrued expenses and other payables (refer to note 17) relates to the obligations towards the external project participants.

(3) See below reconciliation of net cash flow to movement in net debt for components of other non-cash flow.

## Notes to the financial statements

### 19. Net Debt (continued)

#### Reconciliation of net cash flow to movement in net debt

|                                                        |           | Year ended<br>31 March 2025 | Year ended<br>31 March 2024 |
|--------------------------------------------------------|-----------|-----------------------------|-----------------------------|
|                                                        | Notes     | \$000                       | \$000                       |
| Decrease in cash                                       |           | (34,416)                    | (11,954)                    |
| Issue of "A" preference shares                         | 18 (d)    | (4,805)                     | (10,286)                    |
| Repurchase of "A" preference shares <sup>(1)</sup>     | 18 (d)    | 9,673                       | 7,524                       |
| Dividends paid to "A" and "B" preference shareholders  | 18 (d)(e) | 90,000                      | -                           |
| Settlement of promissory notes                         | 18 (d)    | 3,672                       | 2,057                       |
| Proceeds from bank loans                               | 18 (b)    | (100,520)                   | -                           |
| Repayment of bank loans                                | 18 (b)    | 5,350                       | 5,350                       |
| Interest payments on bank loans held at amortised cost |           | 87,210                      | 88,841                      |
| Debt issue costs                                       | 18 (c)    | 3,027                       | 1,717                       |
| Repayment of lease liabilities and interest            |           | 21,593                      | 21,366                      |
| Change in net debt resulting from cash flows           |           | 80,784                      | 104,615                     |
| Exchange difference                                    |           | (2,392)                     | 1,422                       |
| Issue of "A" preference shares                         | 18 (d)    | (692)                       | (162)                       |
| Repurchase of "A" preference shares                    | 18 (d)    | 1,359                       | 8,359                       |
| Dividends accrued on "A" and "B" preference shares     |           | (194,958)                   | (183,422)                   |
| Issuance of promissory notes                           |           | (3,420)                     | (8,070)                     |
| Settlement of promissory notes                         |           | 213                         | -                           |
| Fair value gain on modification of bank loans          | 18 (b)    | 9,012                       | 8,895                       |
| Interest expense on bank loans held at amortised cost  |           | (97,826)                    | (93,221)                    |
| Debt issue costs                                       |           | 1,092                       | -                           |
| Interest accrued on leases                             |           | (4,047)                     | (2,798)                     |
| Lease additions, acquisitions and disposals            |           | (16,405)                    | (25,654)                    |
| Other non-cash flow movement                           |           | (305,672)                   | (296,073)                   |
| Movement in net debt in the financial year             |           | (227,280)                   | (190,036)                   |
| Net debt at 1 April                                    |           | (3,267,595)                 | (3,077,559)                 |
| <b>Net debt at 31 March</b>                            |           | <b>(3,494,875)</b>          | <b>(3,267,595)</b>          |

- (1) Repurchase of ordinary and preference shares per the consolidated cash flow statement for the year ended 31 March 2025 is \$12,054,000. The net debt repurchase of "A" preference shares cash flow of \$9,673,000 above excludes \$2,061,000 paid to departing shareholders where share register had not been updated as at 31 March 2025 (see note 18(d)); \$223,000 paid in respect of ordinary shares (not net debt); and \$97,000 paid in respect of preference shares bought back in the year ended 31 March 2024 and reflected as a non-cash net debt movement in that year.

Repurchase of ordinary and preference shares per the consolidated cash flow statement for the year ended 31 March 2024 is \$13,009,000. The net debt repurchase of "A" preference shares cash flow of \$7,524,000 above excludes \$734,000 paid in respect of ordinary shares (not net debt); and \$4,751,000 paid in respect of preference shares bought back in prior years and reflected as a non-cash net debt movement in that year.

## Notes to the financial statements

### 20. Lease liabilities

The Group leases offices, as well as a number of motor vehicles and office equipment. The leases typically run for a period of one to five years, often with an option to renew the lease after its expiry date. Each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

The Group is required to make additional lease payments when the usage of the underlying assets exceeds the contractual terms. The Group's variable lease payments of \$548,000 (2024: \$532,000) are less than 2.5% (2024: 2.5%) of the total lease payments of \$21,593,000 (2024: \$21,366,000). These payments are not included in the measurement of the lease liabilities and are recognised as an expense in the Group's Income Statement.

Lease liabilities are payable as follows:

|                                                                                 | 31 March<br>2025<br>\$000 | 31 March 2024<br>\$000 |
|---------------------------------------------------------------------------------|---------------------------|------------------------|
| Lease liabilities due:                                                          |                           |                        |
| within one year                                                                 | 18,412                    | 14,272                 |
| in two to five years                                                            | 34,172                    | 36,898                 |
| over five years                                                                 | 3,538                     | 6,189                  |
|                                                                                 | 56,122                    | 57,359                 |
| Less unearned interest                                                          | (8,475)                   | (8,569)                |
| <b>Present value of lease obligations</b>                                       | <b>47,647</b>             | <b>48,790</b>          |
| Disclosed as:                                                                   |                           |                        |
| Amount due for settlement within 12 months (shown under current liabilities)    | 14,927                    | 14,272                 |
| Amount due for settlement after 12 months (shown under non-current liabilities) | 32,720                    | 34,518                 |
| <b>Total lease liabilities</b>                                                  | <b>47,647</b>             | <b>48,790</b>          |

### 21. Share capital

|                                      | 2025<br>No.   | 2025<br>\$000 | Allotted, called up and fully paid<br>2024<br>No. | 2024<br>\$000 |
|--------------------------------------|---------------|---------------|---------------------------------------------------|---------------|
| "A" ordinary shares <sup>(1)</sup>   | 2,378,198     | 24            | 2,109,661                                         | 21            |
| "B" ordinary shares <sup>(1)</sup>   | 27,574,626    | 276           | 27,574,626                                        | 276           |
| "C" ordinary shares <sup>(1)</sup>   | 10,074,876    | 101           | 8,347,525                                         | 83            |
| "D" ordinary shares <sup>(1)</sup>   | 196,676       | 2             | 159,767                                           | 2             |
| Deferred shares <sup>(1)</sup>       | 42,221,835    | 422           | 33,188,980                                        | 332           |
| Special shares <sup>(1)</sup>        | 168           | -             | 131                                               | -             |
|                                      |               | <b>825</b>    |                                                   | <b>714</b>    |
| "A" preference shares <sup>(1)</sup> | 151,177,323   | 1,512         | 154,480,914                                       | 1,545         |
| "B" preference shares <sup>(1)</sup> | 1,819,925,316 | 18,199        | 1,819,925,316                                     | 18,199        |
|                                      |               | <b>19,711</b> |                                                   | <b>19,744</b> |

(1) Held at US\$0.01 nominal value

## Notes to the financial statements

### 21. Share capital (continued)

The share capital structure available for issue by the Company as at 31 March 2025 is comprised as follows:

- "A" ordinary shares of US\$0.01 each;
- "B" ordinary shares of US\$0.01 each;
- "C" ordinary shares of US\$0.01 each;
- "D" ordinary shares of US\$0.01 each;
- "A" preference shares of US\$0.01 each;
- "B" preference shares of US\$0.01 each;
- "Deferred" shares of US\$0.01 each; and
- "Special" shares of US\$0.01 each;

"A", "B", "C" and "D" ordinary shares carry full voting rights. "A" and "B" preference shares carry the right to vote on a limited range of resolutions affecting the rights attached to such shares. Deferred and Special shares do not carry the right to receive notice of or to attend or vote at any general meeting of the Company.

The movement in share capital in issue from 31 March 2024 to 31 March 2025 is presented below:

|                       | At 31 March 2024 |        | Issued    |       | Conversions |       | At 31 March 2025 |        |
|-----------------------|------------------|--------|-----------|-------|-------------|-------|------------------|--------|
|                       | No.              | \$000  | No.       | \$000 | No.         | \$000 | No.              | \$000  |
| "A" ordinary shares   | 2,109,661        | 21     | 282,988   | 3     | (14,451)    | -     | 2,378,198        | 24     |
| "B" ordinary shares   | 27,574,626       | 276    | -         | -     | -           | -     | 27,574,626       | 276    |
| "C" ordinary shares   | 8,347,525        | 83     | 1,943,579 | 20    | (216,228)   | (2)   | 10,074,876       | 101    |
| "D" ordinary shares   | 159,767          | 2      | 39,150    | -     | (2,241)     | -     | 196,676          | 2      |
| Deferred shares       | 33,188,980       | 332    | -         | -     | 9,032,855   | 90    | 42,221,835       | 422    |
| Special shares        | 131              | -      | -         | -     | 37          | -     | 168              | -      |
|                       | <b>714</b>       |        | <b>23</b> |       | <b>88</b>   |       | <b>825</b>       |        |
| "A" preference shares | 154,480,914      | 1,545  | 5,496,381 | 55    | (8,799,972) | (88)  | 151,177,323      | 1,512  |
| "B" preference shares | 1,819,925,316    | 18,199 | -         | -     | -           | -     | 1,819,925,316    | 18,199 |
|                       | <b>19,744</b>    |        | <b>55</b> |       | <b>(88)</b> |       | <b>19,711</b>    |        |

The movement in share capital in issue from 31 March 2023 to 31 March 2024 is presented below:

|                       | At 31 March 2024 |        | Issued     |       | Conversions  |       | At 31 March 2025 |        |
|-----------------------|------------------|--------|------------|-------|--------------|-------|------------------|--------|
|                       | No.              | \$000  | No.        | \$000 | No.          | \$000 | No.              | \$000  |
| "A" ordinary shares   | 2,293,414        | 23     | -          | -     | (183,753)    | (2)   | 2,109,661        | 21     |
| "B" ordinary shares   | 27,574,626       | 276    | -          | -     | -            | -     | 27,574,626       | 276    |
| "C" ordinary shares   | 4,313,645        | 43     | 4,368,717  | 44    | (334,837)    | (4)   | 8,347,525        | 83     |
| "D" ordinary shares   | 85,098           | 1      | 78,404     | 1     | (3,735)      | -     | 159,767          | 2      |
| Deferred shares       | 18,959,126       | 190    | -          | -     | 14,229,854   | 142   | 33,188,980       | 332    |
| Special shares        | 67               | -      | -          | -     | 64           | -     | 131              | -      |
|                       | <b>533</b>       |        | <b>45</b>  |       | <b>136</b>   |       | <b>714</b>       |        |
| "A" preference shares | 157,741,235      | 1,577  | 10,447,272 | 105   | (13,707,593) | (137) | 154,480,914      | 1,545  |
| "B" preference shares | 1,819,925,316    | 18,199 | -          | -     | -            | -     | 1,819,925,316    | 18,199 |
|                       | <b>19,776</b>    |        | <b>105</b> |       | <b>(137)</b> |       | <b>19,744</b>    |        |

All shares issued during the year ended 31 March 2025 and year ended 31 March 2024 were issued at US\$0.01 nominal value and US\$0.99 share premium.

## Notes to the financial statements

### 21. Share capital (continued)

During the year ended 31 March 2025 a total of 14,451 "A" ordinary shares, 216,228 "C" ordinary shares, 2,241 "D" ordinary shares and 8,799,972 "A" preference shares were acquired by the EBT from shareholders.

During the year ended 31 March 2025, there were further share repurchases by the EBT from departing shareholders for which the transfers had not been registered on the official share register as at 31 March 2025. A total of 40,230 "A" ordinary shares, 239,437 "C" ordinary shares, 8,964 "D" ordinary shares and 3,103,593 "A" preference shares were acquired by the EBT but were not showing as having been transferred on the official share register as at 31 March 2025. These shares remain in issue in the 31 March 2025 share numbers disclosed above.

During the year ended 31 March 2024 a total of 183,753 "A" ordinary shares, 334,837 "C" ordinary shares, 3,735 "D" ordinary shares and 13,707,593 "A" preference shares were acquired by the EBT from shareholders.

Pursuant to the Articles of Association of the Company, all "A" ordinary shares, "C" ordinary shares, "D" ordinary shares, and all but one of the "A" preference shares acquired by the EBT from each shareholder are automatically converted into 'deferred shares' of US\$0.01 nominal value each.

'Deferred shares' are not entitled to receive any dividends and do not carry the right to receive notice of nor to attend or vote at any general meeting of the Company. The one "A" preference share not converted into a deferred share is instead converted into a special share of US\$0.01 nominal value. At 31 March 2025, there were 168 special shares in issue (31 March 2024: 131). Special shares are not entitled to receive any dividends nor do they carry the right to receive notice of or to attend or vote at any general meeting of the Company.

Preference shares are shown on the statement of financial position as debt and in note 18 as falling due after more than one year.

### 22. Share-based payments

The Group has a share-based payment scheme for Partners of the Group, whereby they have purchased class A, C and/or class D ordinary shares in the Company which are entitled to certain rights in the event of an exit or return of capital by the ultimate parent company, Nature Topco UK Limited. The shares are typically repurchased by the Group if the employee leaves the Group before such an exit event.

The IFRS 2 fair value of the shares at the grant date was calculated using the Monte Carlo model, which is considered to be the most appropriate method to take into account the impact of the potential exit dates. The fair values are set out below:

| Group                     | Class A<br>Shares<br>No. | IFRS 2 Fair<br>Value<br>\$ | Class C<br>Shares<br>No. | IFRS 2 Fair<br>Value<br>\$ | Class D<br>Shares<br>No. | IFRS 2 Fair<br>Value<br>\$ |
|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| At 1 April 2023           | -                        | -                          | 4,313,645                | 4.49                       | 85,098                   | 4.26                       |
| Granted during the year   | -                        | -                          | 4,048,717                | 2.91                       | 78,404                   | 2.96                       |
| Forfeited during the year | -                        | -                          | (334,837)                | 3.96                       | (3,735)                  | 4.21                       |
| <b>At 31 March 2024</b>   | -                        | -                          | <b>8,027,525</b>         | <b>3.70</b>                | <b>159,767</b>           | <b>3.62</b>                |
| Granted during the year   | 282,988                  | 7.74                       | 1,858,579                | 7.62                       | 39,150                   | 7.71                       |
| Forfeited during the year | -                        | -                          | (216,228)                | 3.72                       | (2,241)                  | 4.21                       |
| <b>At 31 March 2025</b>   | <b>282,988</b>           | <b>7.74</b>                | <b>9,669,876</b>         | <b>4.46</b>                | <b>196,676</b>           | <b>4.43</b>                |

Under IFRS 2, the fair value is recognised over the period from issue to assumed exit date. The share-based payment expense for the year ended 31 March 2025 was \$10,621,000 (2024: \$8,759,000), of which \$10,232,000 (2024: \$8,429,000) relates to the equity-settled share based payment scheme above and \$389,000 (2024: \$330,000) relates to a liability-settled share based-payment scheme.

## Notes to the financial statements

### 23. Pension commitments

Group companies operate various defined contribution pension schemes in countries around the world, including Australia, Hong Kong and the United Kingdom. The schemes are funded by the payment of contributions to separately administered funds. A 401K Plan is maintained by Vanguard for United States employees, to which the US employers make matching contributions.

At the balance sheet date, an accrual of \$5,389,000 relating to unpaid pension contributions is included within the financial statements (2024: \$5,110,000). The amount charged to the income statement during the year ended 31 March 2025 was \$25,484,000 (2024: \$24,469,000).

### 24. Contingent liabilities

Due to the nature of the Group's operations, the Group is periodically exposed to contingent liabilities arising from its contracting arrangements or actual or potential disputes, claims or litigation. The Group has processes to identify contingent liabilities when they arise and where possible to quantify the potential exposure. Following IAS 37, when it is judged probable that a liability will arise and that liability can be estimated, a charge is made for the cost of settlement and included in accruals. For other cases it is not possible to predict with certainty the results of these contingent liabilities but the Directors believe, taking into account counter-claims including any claims against third parties, insurance coverage and provisions in the accounts, that the outcome will not have a material effect on the Group's financial position.

### 25. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below:

#### *Transactions with the management personnel*

The "A" preference shares are owned globally by ERM Partners, who are senior management level leaders of the business. The "A" preference shares balance at 31 March 2025 of \$188,223,000 includes \$37,046,000 of cumulative preferential dividend (31 March 2024: \$185,380,000 includes \$30,899,000 of cumulative preferential dividend). See note 18 (d).

The Company Directors and senior members of the Executive Committee are considered to be the key management personnel. Directors' remuneration is disclosed in note 6. During the year ended 31 March 2025, 60,000 "A" ordinary shares and 89,110 "C" ordinary shares were issued to key management personnel (2024: 435,000 "C" ordinary shares); all shares are fully paid and included in note 21. In addition, 528,110 "D" ordinary shares in Nature Topco limited, the ultimate parent company, are held by the EBT on behalf of a Director of the Company (2024: 528,110).

The emoluments of key management personnel for services provided to the Group for the year ended 31 March 2025 and 31 March 2024 are as follows:

|                                                                                        | Year ended<br>31 March 2025<br>\$000 | Year ended<br>31 March 2024<br>\$000 |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Emoluments                                                                             | 7,758                                | 6,851                                |
| Contributions paid to defined contribution pension schemes (no. of members 2, FY24: 2) | 49                                   | 10                                   |

Emoluments include performance-related bonus amounts earned in respect of the year under which they are shown (but not paid until the following year). Emoluments are paid in local currency in the country of residence.

Key management personnel additionally received \$509,000 in respect of the accrued preferential dividend paid to "A" preference shareholders (see 18(d)) (2024: \$nil).

## Notes to the financial statements

### 25. Related party transactions (continued)

#### *Other related party balances*

Our institutional shareholder KKR provide strategic corporate planning and other management services to the Group in accordance with an annual management advisory agreement. In consideration of these and other services the Group reported advisory fees and related expenses of \$2,704,000 during the year ended 31 March 2025 (2024: \$2,866,000).

During the year ended 31 March 2025 the Group paid finance arrangement fees of \$2,259,000 to KKR Capital Markets Partners LLP (2024: \$1,158,880). These costs were capitalised as debt issue costs (see note 18).

In addition, during the year ended 31 March 2025 the Group paid advisory fees of \$260,000 to KKR Capstone EMEA LLP (2024: nil).

### 26. Financial instruments and related disclosures

#### **Financial risk management**

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors usually meets every other month, with extra meetings as required. At these meetings operational performance as well as business risks are monitored and discussed with any necessary actions agreed to mitigate key risks.

Details of the Group's principal risks and uncertainties are also set out in the Strategic report on pages 26-27. Furthermore, details of cash on hand and debt facilities are set out in the Strategic report on page 5.

#### **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally from the Group's receivables from and work in progress with customers.

The carrying amount of the Group's non-derivative financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                  | Notes | 31 March 2025<br>\$000 | 31 March 2024<br>\$000 |
|----------------------------------|-------|------------------------|------------------------|
| Trade receivables, net           | 16    | 210,273                | 193,000                |
| Amounts recoverable on contracts | 16    | 162,521                | 137,704                |
| Other receivables <sup>(1)</sup> |       | 6,092                  | 7,593                  |
| Cash and cash equivalents        | 19    | 156,787                | 192,873                |
| <b>Total</b>                     |       | <b>535,673</b>         | <b>531,170</b>         |

(1) Comprises note 16 balance less excluded items under IFRS such as local tax and statutory related receivable balances.

The Group has no significant concentrations of credit risk at the balance sheet date. The trade receivables balance is spread across a large number of different customers in the following key sectors: Energy, Power, Chemical, Technology, Finance, Manufacturing, Mining and Pharmaceuticals. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The Group only sells to customers who are creditworthy and mitigates risk in certain markets by trading on terms with accelerated payments, bank guarantees and letters of credit. The Group monitors the creditworthiness of counterparties using publicly available information. As a result the Group's exposure to bad debts is not significant and default rates have historically been very low.

The Group is also exposed to credit risk arising from other financial assets, which comprise cash and short-term deposits. The Group's policy is that surplus funds are held with counterparties, who are either party to the Group's banking syndicate, or who are creditworthy counterparties. The Group only deals with banks with A-1 (S&P) / P-1 (Moody's) rating in order to manage this risk.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### 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 ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring any obligations, limits and covenants (where applicable) on a regular basis to ensure there are no expected significant breaches, which would lead to an "Event of Default". The only covenant relates to the use of revolving credit facility at each quarter end. The Group has been below the threshold for testing this covenant at every quarter end. There are no other covenants that apply to the Group.

The Group has a centralised treasury function that monitors and manages cash balances and cash flow forecasts for the operating entities. Cash flow forecasting is performed by the Group to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times, so that the Group does not breach on any of its borrowing obligations facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet targets and, if applicable, external regulatory or legal requirements – for example, any currency restrictions.

The Group is exposed to certain restrictions imposed by the terms of its debt facilities and the loans are secured by fixed and floating charges over the assets of the Group. A portion of cash flow from operations is used for the payment of interest and principal. The cash flow forecasts continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed banking facilities. For further details of the Group's borrowings see note 18.

At the year end the Group also had a revolving credit facility of \$238 million, which was undrawn and \$6.5 million of the undrawn amount was utilised as security for bank guarantees (2024: \$238 million facility; undrawn; \$4.1 million utilised as security for bank guarantees).

The carrying amount of the Group's non-derivative financial liabilities at fair values represents the maximum liquidity exposure. The maximum exposure to liquidity risk at the reporting dates was as follows:

|                                                            |       | 31 March 2025    | 31 March 2024    |
|------------------------------------------------------------|-------|------------------|------------------|
|                                                            | Notes | \$000            | \$000            |
| <b>Non-derivative financial liabilities – current:</b>     |       |                  |                  |
| Trade payables                                             | 17    | 51,518           | 33,269           |
| Accrued expenses and other payables <sup>(1)</sup>         |       | 223,111          | 232,287          |
| Secured bank loans                                         | 18    | 5,350            | 5,350            |
| Promissory notes                                           | 18    | 7,424            | 3,825            |
|                                                            |       | <b>287,403</b>   | <b>274,731</b>   |
| <b>Non-derivative financial liabilities – non-current:</b> |       |                  |                  |
| Secured bank loans                                         | 18    | 1,090,831        | 997,452          |
| "A" preference shares                                      | 18    | 188,223          | 185,380          |
| "B" preference shares                                      | 18    | 2,309,100        | 2,212,520        |
| Promissory notes                                           | 18    | 3,087            | 7,151            |
|                                                            |       | <b>3,591,241</b> | <b>3,402,503</b> |
| <b>Total non-derivative financial liabilities</b>          |       |                  |                  |
|                                                            |       | <b>3,878,644</b> | <b>3,677,234</b> |

(1) Comprises note 17 balance less excluded items under IFRS such as local taxes and statutory related balances.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### Liquidity risk (continued)

The maturity profile of the contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out below.

| 31 March 2025<br>In \$000                    | Contractual undiscounted cash flows |                      |               |                  |                      |
|----------------------------------------------|-------------------------------------|----------------------|---------------|------------------|----------------------|
|                                              | Total                               | 12 months<br>or less | 1-2 years     | 2-5 years        | More than 5<br>years |
| <b>Non-derivative financial liabilities:</b> |                                     |                      |               |                  |                      |
| Trade payables                               | 51,518                              | 51,518               | -             | -                | -                    |
| Accrued expenses and other payables          | 223,111                             | 223,111              | -             | -                | -                    |
| Secured bank loans <sup>(1)</sup>            | 1,385,400                           | 80,853               | 80,460        | 1,224,087        | -                    |
| "A" preference shares <sup>(2)</sup>         | 188,223                             | -                    | -             | -                | 188,223              |
| "B" preference shares <sup>(2)</sup>         | 2,309,100                           | -                    | -             | -                | 2,309,100            |
| Promissory notes                             | 10,511                              | 7,424                | 3,087         | -                | -                    |
| <b>Total</b>                                 | <b>4,167,863</b>                    | <b>362,906</b>       | <b>83,547</b> | <b>1,224,087</b> | <b>2,497,323</b>     |

| 31 March 2024<br>In \$000                    | Contractual undiscounted cash flows |                      |               |                  |                      |
|----------------------------------------------|-------------------------------------|----------------------|---------------|------------------|----------------------|
|                                              | Total                               | 12 months<br>or less | 1-2 years     | 2-5 years        | More than 5<br>years |
| <b>Non-derivative financial liabilities:</b> |                                     |                      |               |                  |                      |
| Trade payables                               | 33,269                              | 33,269               | -             | -                | -                    |
| Accrued expenses and other payables          | 232,287                             | 232,287              | -             | -                | -                    |
| Secured bank loans <sup>(1)</sup>            | 1,418,562                           | 92,137               | 91,653        | 1,234,772        | -                    |
| "A" preference shares <sup>(2)</sup>         | 185,380                             | -                    | -             | -                | 185,380              |
| "B" preference shares <sup>(2)</sup>         | 2,212,520                           | -                    | -             | -                | 2,212,520            |
| Promissory notes                             | 10,976                              | 3,825                | 7,151         | -                | -                    |
| <b>Total</b>                                 | <b>4,092,994</b>                    | <b>361,518</b>       | <b>98,804</b> | <b>1,234,772</b> | <b>2,397,900</b>     |

(1) Secured bank loans cash flows comprise the undiscounted payments of principal and interest on secured bank loans. The maturity analysis in note 18 excludes the variable element of interest payments.

(2) As disclosed in note 18, the preference shares are redeemable by the Company on the 20<sup>th</sup> anniversary of their issuance or a liquidation, whichever is earlier.

With the exception of secured bank loans, it is not expected that the undiscounted cash flows above could occur at significantly different amounts. Secured bank loans are subject to currency and interest rate risk, as detailed respectively in the currency risk and interest rate sections of this note.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### **Market risk**

Market risk is the risk that changes in the market prices, such as foreign exchange rates and interest rates, will affect the Group's income. Other risks include recession impacting geographies or sectors the Group operates in.

ERM's business is derived in a large part from the petroleum, manufacturing, chemical, pharmaceutical, mining, power, infrastructure and technology industries. A major change in one or more of these industries could result in significant changes in the market for environmental services and ERM's business, which could give rise to temporary or long-term challenges or setbacks for ERM, which may adversely affect operations, financial condition and results of operations.

These risks are managed by strong reporting, control and forecasting over cash flows. Management monitors macro-economic trends and the impact on business or sector performance and, if necessary, takes appropriate action to mitigate risks.

The Group's indebtedness is drawn in US Dollars and Euros to provide a natural hedge against these currencies, being the major currencies in which the Group operates. This provides an economic hedge without derivatives being entered into.

#### **Currency risk**

The Group operates internationally and is, therefore, exposed to foreign exchange risk which can negatively impact revenue, costs, margins and profit.

The Group's exposure to transaction risk on the translation and conversion of trade transactions is not considered significant to warrant any income statement and balance sheet hedging. A natural hedge is in place as costs are typically in the same currency as sales for ERM entities.

The currency risk is also managed through the use of foreign currency bank accounts.

The level of Group monetary assets and liabilities at the reporting date in currencies other than the local currency of operation is not significant. Monetary assets and liabilities refer to cash, deposits, borrowings and other amounts to be received or paid in cash. Amounts exclude intercompany balances which eliminate on consolidation.

The Group's bank loans include EUR denominated term debt (see note 18(b)). At 31 March 2025 the balance outstanding on the EUR term debt was €585 million revalued to \$633 million at the balance sheet foreign exchange rate (31 March 2024: €495 million EUR debt revalued to \$532 million). The consolidated income statement includes foreign exchange movements on revaluation of the EUR debt, reported within financial income and expenses. The table below discloses the impact on financial income / expenses of a 10% increase / decrease in USD against EUR.

| <b>Impact</b>                | <b>USD 10% Strengthening</b> |                      | <b>USD 10% Weakening</b> |                      |
|------------------------------|------------------------------|----------------------|--------------------------|----------------------|
|                              | <b>Year ended</b>            | <b>Year ended</b>    | <b>Year ended</b>        | <b>Year ended</b>    |
|                              | <b>31 March 2025</b>         | <b>31 March 2024</b> | <b>31 March 2025</b>     | <b>31 March 2024</b> |
|                              | <b>\$000</b>                 | <b>\$000</b>         | <b>\$000</b>             | <b>\$000</b>         |
| Financial income / (expense) | 49,969                       | 40,811               | (61,073)                 | (49,880)             |

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### Interest rate risk

The Group's indebtedness is drawn in US dollars and Euros to provide a natural hedge against the major currencies in which the Group operates. The Group is exposed to the risk of interest rate fluctuations mainly with regard to the interest expense on the external debt. The Group's bank borrowings incur variable interest rates charged at USD SOFR / EURIBOR plus a fixed margin.

The Group assesses whether interest rate hedges should be entered into on a regular basis. The Group has entered into arrangements for interest rate caps, swaps and collars to hedge against the increase of interest rates on the bank loans. The caps reduce the Group's exposure to rate rises without impacting existing participation in falling rates, while swaps reduce the Group's sensitivity to rate changes. The interest rate caps and swaps have not been designated as hedging instruments.

Details of the Group's caps and swaps are set out in the tables below.

#### Current assets

| Cap/swap/collar amount<br>CCY'000 | Interest rate cap/swap terms          |                                        | Fair value asset<br>31 March 2025<br>\$000 | Fair value asset<br>31 March 2024<br>\$000 |
|-----------------------------------|---------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------|
| USD 300,000                       | 4-year 2.285% IR Cap on 3M USD SOFR   | 31 March 2022 to 31 March 2026         | 6,545                                      | -                                          |
| USD 125,000                       | 3-year 3.2725% IR Cap on 3M TERM SOFR | 30 September 2022 to 30 September 2025 | 915                                        | -                                          |
| EUR 125,000                       | 3-year 2.5% IR Cap on 3M EURIBOR      | 30 September 2022 to 30 September 2025 | 217                                        | -                                          |
|                                   |                                       |                                        | <b>7,677</b>                               | <b>-</b>                                   |

#### Non-current assets

| Cap/swap/collar amount<br>CCY'000 | Interest rate cap/swap terms                                        |                                        | Fair value asset<br>31 March 2025<br>\$000 | Fair value asset<br>31 March 2024<br>\$000 |
|-----------------------------------|---------------------------------------------------------------------|----------------------------------------|--------------------------------------------|--------------------------------------------|
| USD 300,000                       | 4-year 2.285% IR Cap on 3M USD SOFR <sup>(1)</sup>                  | 31 March 2022 to 31 March 2026         | -                                          | 12,906                                     |
| EUR 125,000                       | 3-year 2.5% IR Cap on 3M EURIBOR <sup>(1)</sup>                     | 30 September 2022 to 30 September 2025 | -                                          | 1,602                                      |
| USD 125,000                       | 3-year 3.2725% IR Cap on 3M USD SOFR                                | 30 September 2022 to 30 September 2027 | 420                                        | 2,754                                      |
| USD 150,000                       | 2-year 0% Floor on 3M USD SOFR                                      | 31 March 2026 to 31 March 2028         | 75                                         | -                                          |
| EUR 150,000                       | 4-year fixed 2.896% swap on 3M EURIBOR                              | 28 March 2024 to 31 March 2028         | 72                                         | -                                          |
| EUR 125,000                       | 2-year 3.065% IR Cap on 3M EURIBOR                                  | 30 September 2025 to 30 September 2027 | 4                                          | -                                          |
| EUR 70,000                        | 3.25-year fixed 2.35% Collar (2.35% CAP/ 1.75% Floor) on 3M EURIBOR | 31 December 2024 to 31 March 2028      | 143                                        | -                                          |
|                                   |                                                                     |                                        | <b>714</b>                                 | <b>17,262</b>                              |

(1) Classified as current in the year ended 31 March 2025.

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### Non-current liabilities

| Cap/swap/collar amount<br>CCY'000 | Interest rate cap/swap terms            |                                | Fair value<br>(liability)<br>31 March<br>2025<br>\$000 | Fair value<br>(liability)<br>31 March<br>2024<br>\$000 |
|-----------------------------------|-----------------------------------------|--------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| EUR 150,000                       | 3-year fixed 3.1065% swap on 3M EURIBOR | 28 March 2024 to 31 March 2028 | (3,654)                                                | (336)                                                  |
| EUR 50,000                        | 4-year fixed 3.025% swap on 3M EURIBOR  | 28 March 2024 to 31 March 2028 | (1,404)                                                | (316)                                                  |
| USD 150,000                       | 2-year 3.6315% Swap on 3M USD SOFR      | 31 March 2026 to 31 March 2028 | (397)                                                  | -                                                      |
|                                   |                                         |                                | <b>(5,455)</b>                                         | <b>(652)</b>                                           |

The above non-current assets and liabilities will expire between 1-5 years.

At the reporting date the interest rate profile of the Group's interest bearing financial instruments was as follows:

| Carrying amount                      | 31 March 2025<br>\$000 | 31 March 2024<br>\$000 |
|--------------------------------------|------------------------|------------------------|
| <b>Fixed rate instruments</b>        |                        |                        |
| "A" preference shares <sup>(1)</sup> | 188,223                | 185,380                |
| "B" preference shares <sup>(1)</sup> | 2,309,100              | 2,212,520              |
| Promissory notes                     | 10,511                 | 10,976                 |
|                                      | <b>2,507,834</b>       | <b>2,408,876</b>       |
| <b>Variable rate instruments</b>     |                        |                        |
| Cash and cash equivalents            | (156,787)              | (192,873)              |
| Senior credit facility               | 1,121,352              | 1,031,830              |
|                                      | <b>964,565</b>         | <b>838,957</b>         |

(1) Subject to non-cash accrued dividends

## Notes to the financial statements

### 26. Financial instruments and related disclosures (continued)

#### *Interest rate sensitivity analysis*

The current effective rate of interest applied to the Group's debt facilities is calculated as 3 month USD SOFR or 3 month EURIBOR rate both subject to a floor of 0.00% plus a margin of between 3.00% and 3.75%. At 31 March 2025, 3 month USD SOFR was 4.33% (2024: LIBOR 5.30%) and 3 month EURIBOR was 2.32% (2024: 3.90%).

An increase in interest rates of 100bps on floating rate borrowings (bank borrowings which attract interest at floating rates) would increase the Group's loss for the financial year by approximately \$2.7 million (2024: \$2.8 million). A decrease in interest rates of 100bps would reduce the Group's loss for the financial year by approximately \$4.2 million (2024: \$2.8 million).

#### **Capital risk**

The Group's objectives when managing capital (defined as net cash plus equity) are to safeguard its ability to continue as a going concern whilst seeking to optimise returns to its shareholders. The Board's policy is to retain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain future growth. The Directors regularly monitor:

- The Group's level of capital to ensure that this can be achieved. This is measured on the basis of the net debt leverage ratio. This ratio is calculated as net debt divided by total earnings before interest, tax, depreciation and amortisation. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents.
- Performance versus annual budget and quarterly forecasts.

Cash is used to fund the Group's continued investment and growth of the global brand. It is also used to make routine payments of capital expenditure and tax. The Group also has access to the multi-currency revolving credit facility of \$238 million which was undrawn at 31 March 2025 (\$6.5 million of the undrawn amount was utilised as security for bank guarantees). (31 March 2024 undrawn; \$4.1 million utilised as security for bank guarantees).

The Group is in compliance with the limited financial and other obligations, limits and covenants within its committed bank credit facilities, and has been in compliance throughout the historical period.

#### **Fair value disclosures**

The fair values of non-derivative financial assets and liabilities, including liabilities held at amortised cost, are approximately equal to their carrying value.

The Group did not have any financial instruments designated as hedging instruments as at 31 March 2025 (31 March 2024: none).

## Notes to the financial statements

### 27. Investment in subsidiaries

Details of the related undertakings which the Group and the Company hold, directly or indirectly are shown below. All companies either carry out the principal activities of the Group, namely the provision of sustainability & climate change, safety and digital services to clients, or are holding companies. The address key refers to the registered office address which is provided in the subsequent table.

|                                                        |   | <b>Share<br/>class</b> | <b>Holding<br/>%</b> | <b>Country of<br/>incorporation</b> | <b>Address<br/>key</b> |
|--------------------------------------------------------|---|------------------------|----------------------|-------------------------------------|------------------------|
| <i>North America</i>                                   |   |                        |                      |                                     |                        |
| ERM Consultants Canada Ltd.                            | * | Common                 | 100                  | Canada                              | 1                      |
|                                                        | * | Preferred              | 100                  |                                     |                        |
| Coho Climate Advisors LLC                              | * | Interests              | 100                  | USA                                 | 2                      |
| Environmental Resources Management Michigan, Inc.      | * | Common                 | 100                  | USA                                 | 3                      |
| Environmental Resources Management Southwest, Inc.     | * | Class A                | 100                  | USA                                 | 4                      |
|                                                        | * | Class B                | 100                  |                                     |                        |
| Environmental Resources Management, Inc.               | * | Common                 | 100                  | USA                                 | 5                      |
| ERM Alaska, Inc.                                       | * | Common                 | 100                  | USA                                 | 6                      |
| ERM Certification & Verification Services Incorporated | * | Common                 | 100                  | USA                                 | 2                      |
| ERM Consulting & Engineering, Inc.                     | * | Common                 | 100                  | USA                                 | 7                      |
| ERM Emerald US Inc.                                    | * | Common                 | 100                  | USA                                 | 2                      |
| ERM NC, Inc.                                           | * | Common                 | 100                  | USA                                 | 8                      |
| ERM-Delaware, Inc.                                     | * | Common                 | 100                  | USA                                 | 2                      |
| ERM-NA Holdings Corp.                                  | * | Common                 | 100                  | USA                                 | 5                      |
| SustainAbility, Inc                                    | * | Ordinary               | 100                  | USA                                 | 2                      |
| <i>United Kingdom</i>                                  |   |                        |                      |                                     |                        |
| CSA Global (UK) Limited                                | * | Ordinary               | 100                  | UK                                  | 9                      |
| Dolphyn Hydrogen Limited                               | * | Ordinary               | 100                  | UK                                  | 9                      |
| Dolphyn Hydrogen - Celtic Sea SPV Limited              | * | Ordinary               | 100                  | UK                                  | 9                      |
| Dolphyn Hydrogen - North Sea SPV Limited               | * | Ordinary               | 100                  | UK                                  | 9                      |
| Eagle 4 Limited                                        | * | Ordinary               | 100                  | UK                                  | 9                      |
| Emerald 2 Limited                                      | * | Ordinary               | 100                  | UK                                  | 9                      |
| Engineering Safety Consultants Limited                 | * | Ordinary               | 100                  | 1 UK                                | 9                      |
| Environmental Resources Management Limited             | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM-Asia Pacific Holdings, Limited                     | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM Certification and Verification Services Limited    | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM Climate Markets Limited                            | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM Eurasia Limited                                    | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM-Europe, Ltd                                        | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM International Services Limited                     | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM Limited                                            | * | Ordinary               | 100                  | UK                                  | 9                      |
| ERM (Overseas Holdings) Limited                        | * | Ordinary               | 100                  | UK                                  | 9                      |
| First Option Safety Group Limited                      | * | Ordinary               | 100                  | UK                                  | 9                      |
| Libryo Ltd                                             | * | Ordinary               | 100                  | UK                                  | 9                      |
| Nature Bidco Limited                                   | * | Ordinary               | 100                  | UK                                  | 9                      |
| Nature Midco Limited                                   |   | Ordinary               | 100                  | 2 UK                                | 9                      |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) During the year the name was changed from MarineSpace Ltd to Engineering Safety Consultants Ltd.

(2) The ERM International Group Limited directly owns Nature Midco Limited.

# Notes to the financial statements

## 27. Investment in subsidiaries (continued)

|                                                                        |   | Share<br>class | Holding<br>% | Country of<br>incorporation | Address<br>key |
|------------------------------------------------------------------------|---|----------------|--------------|-----------------------------|----------------|
| <i>United Kingdom (continued)</i>                                      |   |                |              |                             |                |
| Operational Excellence (Opex) Group Ltd                                | * | Ordinary A     | 100          | UK                          | 11             |
|                                                                        | * | Ordinary B     | 100          |                             |                |
|                                                                        | * | Ordinary C     | 100          |                             |                |
|                                                                        | * | Ordinary Y     | 100          |                             |                |
|                                                                        | * | Ordinary Z     | 100          |                             |                |
|                                                                        | * | Preference     | 100          |                             |                |
| SustainAbility Limited                                                 | * | Ordinary       | 100          | UK                          | 9              |
| The Fifth Business (Scotland) Limited                                  | * | Ordinary A     | 100          | UK                          | 12             |
|                                                                        |   | Ordinary B     | 100          |                             |                |
| The Renewables Consulting Group Limited                                | * | Ordinary       | 100          | UK                          | 9              |
| <i>EMEA</i>                                                            |   |                |              |                             |                |
| Environmental Resources Management-ERM N.V.                            | * | Ordinary       | 100          | Belgium                     | 13             |
| ReachCentrum SA                                                        | * | Registered     | 100          | Belgium                     | 13             |
| ERM Denmark ApS                                                        | * | Ordinary       | 100          | Denmark                     | 14             |
| ERM France SAS                                                         | * | Ordinary       | 100          | France                      | 15             |
| Emerald Germany GmbH                                                   | * | Ordinary       | 100          | Germany                     | 16             |
| ERM GmbH                                                               | * | Ordinary       | 100          | Germany                     | 17             |
| ERM Consultants (Ghana) Limited                                        | * | Ordinary       | 100          | Ghana                       | 18             |
| ERM-ESL JV Ghana Limited                                               | * | Common         | 90           | Ghana                       | 18             |
| ERM Environmental Resources Management Ireland Limited                 | * | Ordinary       | 100          | Ireland                     | 19             |
| ERM Italia S.p.A.                                                      | * | Ordinary       | 100          | Italy                       | 20             |
| ERM Eurasia Limited Liability Partnership                              | * | Ordinary       | 100          | Kazakhstan                  | 21             |
| ERM Consulting East Africa Limited                                     | * | Ordinary       | 100          | Kenya                       | 22             |
| Environmental Resources Management Mozambique, SU, LDA                 | * | Ordinary       | 100          | Mozambique                  | 23             |
| ERM Holdings B.V.                                                      | * | Registered     | 100          | Netherlands                 | 24             |
| Environmental Resources Management Nederland B.V.                      | * | Ordinary       | 100          | Netherlands                 | 25             |
| ERM Norway AS                                                          | * | Ordinary       | 100          | Norway                      | 26             |
| ERM Polska Sp.z.o.o.                                                   | * | Ordinary       | 100          | Poland                      | 27             |
| ERM Portugal - Consultores em Engenharia do Ambiente, Unipessoal, Lda  | * | Quotas         | 100          | Portugal                    | 28             |
| ERM Environmental Resources Management S.R.L                           | * | Ordinary       | 100          | Romania                     | 29             |
| ERM (Senegal) SARL                                                     | * | Ordinary       | 100          | Senegal                     | 30             |
| Arcus Consultancy Services (South Africa) Proprietary Limited          | * | Ordinary       | 100          | South Africa                | 31             |
| CSA Global South Africa (Pty) Ltd                                      | * | Ordinary       | 100          | South Africa                | 32             |
| Environmental Resources Management Southern Africa Proprietary Limited | * | Ordinary       | 74.965       | South Africa                | 32             |
| Standards & Legal (RF) Proprietary Limited                             | * | Ordinary       | 100          | South Africa                | 33             |
| Environmental Resources Management Iberia, SAU                         | * | Class A        | 100          | Spain                       | 34             |
|                                                                        |   | Class B        | 100          |                             |                |
| E4tech S.à.r.l.                                                        | * | Ordinary       | 100          | Switzerland                 | 35             |
| ERM Swiss GmbH                                                         | * | Ordinary       | 100          | Switzerland                 | 35             |
| ERM Consulting Tanzania Limited                                        | * | Ordinary       | 100          | Tanzania                    | 36             |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is in liquidation or subject to dissolution / deregistration.

(2) The subsidiary is consolidated as the Group has the right to exercise dominant influence over the subsidiary Board.

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

|                                                          |   | <b>Share<br/>class</b> | <b>Holding<br/>%</b> |     | <b>Country of<br/>incorporation</b> | <b>Address<br/>Key</b> |
|----------------------------------------------------------|---|------------------------|----------------------|-----|-------------------------------------|------------------------|
| <i>Asia Pacific</i>                                      |   |                        |                      |     |                                     |                        |
| ACN 077 165 532 Pty Ltd                                  | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| Emerald Newco Pty Limited                                | * | Ordinary               | 100                  |     | Australia                           | 38                     |
| Environmental Resources Management Australia Pty Limited | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| ERM Australia Pacific Pty Ltd                            | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| ERM Emilion Australia Pty Ltd                            | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| ERM Services Australia Pty Ltd                           | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| ERM Australia Consultants Pty Ltd                        | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| ERM CVS Australia Pty Ltd                                | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| The Big Middle Pty Ltd                                   | * | Ordinary               | 100                  | 1   | Australia                           | 37                     |
| The Big Zero Pty Ltd                                     | * | Ordinary               | 100                  | 1   | Australia                           | 37                     |
| Energetics Group Holdings Pty. Limited                   | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| Energetics Pty Ltd                                       | * | Ordinary               | 100                  |     | Australia                           | 37                     |
| Energetics Consulting Inc. (Philippines)                 | * | Ordinary               | 39.6                 | 1,2 | Philippines                         | 39                     |
| ERM (Shanghai) Limited                                   | * | Ordinary               | 100                  |     | China                               | 40                     |
| ERM CVS (Shanghai) Limited                               | * | Ordinary               | 100                  |     | China                               | 40                     |
| ERM China (Holdings) Limited                             | * | Ordinary               | 100                  |     | Hong Kong                           | 41                     |
| ERM-China Limited                                        | * | Ordinary               | 100                  |     | Hong Kong                           | 41                     |
| ERM-Hong Kong, Limited                                   | * | Ordinary               | 100                  |     | Hong Kong                           | 41                     |
| ERM India Private Limited                                | * | Equity                 | 100                  |     | India                               | 42                     |
| PT CSA Global Indonesia                                  | * | Ordinary               | 100                  |     | Indonesia                           | 43                     |
| PT. ERM Indonesia                                        | * | Ordinary               | 100                  |     | Indonesia                           | 44                     |
| ERM Japan Ltd.                                           | * | Common                 | 100                  |     | Japan                               | 45                     |
| The Renewables Consulting Group KK                       | * | Ordinary               | 100                  | 1   | Japan                               | 45                     |
| ERM Sumi TRUST Consulting Limited                        | * | Ordinary               | 65                   |     | Japan                               | 46                     |
| ERM Korea Limited                                        | * | Ordinary               | 100                  |     | Korea                               | 47                     |
| ReachCentrum Asia Limited                                | * | Ordinary               | 100                  |     | Korea                               | 47                     |
| Environmental Resources Management (M) Sdn. Bhd.         | * | Ordinary               | 40                   | 2   | Malaysia                            | 48                     |
| ERM Asia Pacific (M) Sdn. Bhd.                           | * | Ordinary               | 100                  |     | Malaysia                            | 48                     |
| ERM Technical Services (M) Sdn. Bhd.                     | * | Ordinary               | 100                  |     | Malaysia                            | 48                     |
| ERM New Zealand Limited                                  | * | Ordinary A             | 100                  |     | New Zealand                         | 49                     |
| Environmental Resources Management (S) Pte Ltd           | * | Ordinary               | 100                  |     | Singapore                           | 50                     |
| Environmental Resources Management Taiwan Co., Ltd       | * | Ordinary               | 100                  |     | Taiwan                              | 51                     |
| The Renewables Consulting Group (Taiwan) Limited         | * | Ordinary               | 100                  | 1   | Taiwan                              | 52                     |
| ERM-Siam Co., Ltd.                                       | * | Ordinary               | 49                   | 2   | Thailand                            | 53                     |
| ERM Vietnam Company Limited                              | * | Ordinary               | 100                  |     | Vietnam                             | 54                     |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

(1) The subsidiary is in liquidation or subject to dissolution / deregistration.

(2) The subsidiary is consolidated as the Group has the right to exercise dominant influence over the subsidiary Board.

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

|                                                      |   | <b>Share<br/>Class</b> | <b>Holding<br/>%</b> | <b>Country of<br/>incorporation</b> | <b>Address<br/>key</b> |
|------------------------------------------------------|---|------------------------|----------------------|-------------------------------------|------------------------|
| <i>Latin America</i>                                 |   |                        |                      |                                     |                        |
| ERM Argentina S.A.                                   | * | Ordinary               | 100                  | Argentina                           | 55                     |
| ERM Brasil Ltda.                                     | * | Quotas                 | 100                  | Brazil                              | 56                     |
| ERM-Chile S.A.                                       | * | Ordinary               | 100                  | Chile                               | 57                     |
| Environmental Resources Management Colombia Ltda.    | * | Quotas                 | 100                  | Colombia                            | 58                     |
| ERM Guyana Inc.                                      | * | Common                 | 100                  | Guyana                              | 59                     |
| ERM Mexico, S.A. de C.V.                             | * | Common A               | 100                  | Mexico                              | 60                     |
|                                                      | * | Common B               | 100                  |                                     |                        |
| Environmental Resources Management Panama S.A.       | * | Common                 | 100                  | Panama                              | 61                     |
| ERM Peru S.A.                                        | * | Common                 | 100                  | Peru                                | 62                     |
| Environmental Resources Management Puerto Rico, Inc. | * | Common A               | 100                  | Puerto Rico                         | 63                     |

\* Held by subsidiary undertaking (holding % shown is the holding % by ERM Group as a whole).

The companies listed below have a statutory accounting period ended on a date other than 31 March. All other Group companies have a statutory accounting period to 31 March.

|                                                   | <b>Country of<br/>incorporation</b> |
|---------------------------------------------------|-------------------------------------|
| ERM (Shanghai) Limited                            | China                               |
| ERM Brasil Ltda.                                  | Brazil                              |
| ERM-Chile S.A.                                    | Chile                               |
| Environmental Resources Management Colombia Ltda. | Colombia                            |
| ERM-Mexico, S.A. de C.V.                          | Mexico                              |
| ERM Peru S.A.                                     | Peru                                |
| ERM Eurasia Limited Liability Partnership         | Kazakhstan                          |
| ERM Environmental Resources Management S.R.L.     | Romania                             |
| ERM (Senegal) SARL                                | Senegal                             |
| PT CSA Global Indonesia                           | Indonesia                           |

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

As permitted by section 479A of the Companies Act 2006, the company intends to take advantage of the audit exemption in relation to the individual accounts of the following companies:

|                                         | <b>Registered<br/>number</b> |
|-----------------------------------------|------------------------------|
| ERM-Asia Pacific Holdings, Limited      | 03067139                     |
| ERM International Services Limited      | 03771741                     |
| ERM (Overseas Holdings) Limited         | 03698847                     |
| SustainAbility Limited                  | 02108210                     |
| First Option Safety Group Limited       | 05533445                     |
| The Renewables Consulting Group Limited | 08809841                     |

The registered office addresses for the subsidiaries are set out below, with reference to the 'address key' in the preceding tables:

| <b>Address key</b> | <b>Address</b>                                                                                                                 |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 1                  | 900-885 West Georgia Street, Vancouver, British Columbia V6C 3H1, Canada                                                       |
| 2                  | 850 New Burton Road, Suite 201, Dover, Delaware, 19904, United States                                                          |
| 3                  | 25 E. 8th Street, Suite 220, Holland MI 49423, United States                                                                   |
| 4                  | 840 West Sam Houston Parkway North, Suite 600, Houston, Texas 77024, United States                                             |
| 5                  | 75 Valley Stream Parkway, Suite 200, Malvern, Pennsylvania 19355, United States                                                |
| 6                  | 900 E. Benson Blvd., Suite 480, , Anchorage, AK 99508, United States                                                           |
| 7                  | One Beacon Street, 5th Floor, Boston, Massachusetts, 02108, United States                                                      |
| 8                  | 300 West Summit Avenue, Suite 330, Charlotte NC 28203, United States                                                           |
| 9                  | 2nd Floor Exchequer Court, 33 St Mary Axe, London, EC3A 8AA, United Kingdom                                                    |
| 10                 | 1 More London Place, London, England, SE1 2AF, United Kingdom                                                                  |
| 11                 | 18 Carden Place, Aberdeen, Scotland, AB10 1UQ, United Kingdom                                                                  |
| 12                 | Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EB, United Kingdom                                                   |
| 13                 | 3rd Floor, Central Gate, Cantersteen 47, Brussels, 1000, Belgium                                                               |
| 14                 | Business Center Winghouse, 73 Ørestads Boulevard, 2300, København, Denmark                                                     |
| 15                 | 13 Rue Faidherbe, Paris, 75011, France                                                                                         |
| 16                 | Siemensstrasse 9, Neu-Isenburg, 63263, Germany                                                                                 |
| 17                 | Siemensstrasse 9, Frankfurt am Main, Neu-Isenberg, 63263, DE                                                                   |
| 18                 | PwC Tower, A4 Rangoon Lane, Cantonments City, PMB CT42, Cantonments, Accra, Ghana                                              |
| 19                 | D5 Nutgrove Office Park, Dublin 14, D14 X343, Ireland                                                                          |
| 20                 | Via San Gregorio 38, Milan, 20124, Italy                                                                                       |
| 21                 | Office 709, 86 Gogol str., Almaty, 050000, Republic of Kazakhstan                                                              |
| 22                 | c/- Ikigai Lavington, 2nd Floor, JGO Building, LR. NO.3734/173, 90 James Gichuru Road, Nairobi, Nairobi County, Kenya          |
| 23                 | Torres Rani, Av da Marginal, Lote Nr 141, 6 Andar, Maputo, Mozambique                                                          |
| 24                 | Arthur van Schendelstraat 460, Utrecht, 3511 MJ, Netherlands                                                                   |
| 25                 | Catharijnesingel 47, 3511 GC, Utrecht, UT, Netherlands                                                                         |
| 26                 | Andoyfaret 33, Bygg D, Kristiansand, 4623, NO                                                                                  |
| 27                 | Ul. Chmielna 134, Warsaw, 00-805, Poland                                                                                       |
| 28                 | Centro Empresarial Torres de Lisboa, Rua Tomás da Fonseca, Torre G - 2.º Piso – Escritórios 206-209, 1600-209 Lisboa, Portugal |
| 29                 | 145 Calea Victoriei, 7th Level (8th Floor), Sector 1, Bucharest, 010072, Romania                                               |
| 30                 | AZUR 15 Building, 12, Boulevard Djily MBAYE, Dakar, BP 50555, Senegal                                                          |
| 31                 | 240 Main Road, 1st Floor Great Westerford, Rondebosch, Western Cape, 7700, South Africa                                        |

## Notes to the financial statements

### 27. Investment in subsidiaries (continued)

| Address key | Address                                                                                                                                                                                             |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 32          | Building 32, The Woodlands Office Park, Woodlands Drive, Woodmead, Johannesburg, 2148, South Africa                                                                                                 |
| 33          | The Great Westerford, First Floor, 240 Main Road, Rondebosch, Cape Town, Western Cape, 7700, ZA                                                                                                     |
| 34          | Paseo de la Castellana 257, 2ª planta, 28046, Madrid, Spain                                                                                                                                         |
| 35          | Techno-Pole 4, Sierre, 3960, Switzerland                                                                                                                                                            |
| 36          | Amani Place, 7th Floor, Ohio Street, Dar es Salaam, Tanzania                                                                                                                                        |
| 37          | Level 14/207 Kent Street, Sydney NSW 2000, Australia                                                                                                                                                |
| 38          | Level 8, 501 Swanston Street, Melbourne VIC 3000, Australia                                                                                                                                         |
| 39          | Unit G, 19 Floor Strata 100 Building, Emerald Avenue, Ortigas Complex, MM, Philippines                                                                                                              |
| 40          | Suite 2005 Litong Plaza, No.1350 Sichuan North Road, Shanghai, 200080, China                                                                                                                        |
| 41          | Flat/RM 2509, 25/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Hong Kong                                                                                                                       |
| 42          | B 376 UGF, Nirman Vihar, Delhi, 110092, India                                                                                                                                                       |
| 43          | SinarMas MSIG Tower, 37th Floor Unit 37-124, Jalan Jend. Sudirman Kav. 21, RT.10/RW.1, Kuningan, Karet, Kacamantan Setiabudi, Kota Jakarta Selatan, Daerah Khusus Ibukota Jakarta, 12920, Indonesia |
| 44          | Millennium Centennial Center, 8th Floor, Unit G-Jalan Jenderal Sudirman Kav. 25, Jakarta, 12920, Indonesia                                                                                          |
| 45          | Landmark Tower 19F, 2-2-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa 220-8119, Japan                                                                                                                 |
| 46          | 1F-3F, Otemachi Building, Chiyoda-ku, Tokyo, Japan                                                                                                                                                  |
| 47          | 12F Samhwa Tower, 16, Eulji-ro 5-gil, Jung-gu, Seoul, Korea                                                                                                                                         |
| 48          | No. 31, 2nd Floor, Jalan SS22/23, Damansara Jaya, Petaling Jaya Selangor, 47400, Malaysia                                                                                                           |
| 49          | MinterEllisonRuddWatts, Level 22, PwC Tower, 15 Customs Street West, Auckland Central, Auckland, 1010, New Zealand                                                                                  |
| 50          | 20 Collyer Quay, #15-01/02, 049319, Singapore                                                                                                                                                       |
| 51          | 11F, No.223, Songjiang Rd, Zhongshan District, Taipei City, Taiwan                                                                                                                                  |
| 52          | Taipei 101 Tower Level 37, No. 7, Sec. 5, Xinyi Road, Taipei, Taiwan                                                                                                                                |
| 53          | 179 Bangkok City Tower, 24th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok, 10120, Thailand                                                                                             |
| 54          | Floor 3, Saigon Finance Center, 9 Dinh Tien Hoang Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam                                                                                         |
| 55          | Av. Cabildo 2677 Piso 6, Buenos Aires, C1428AAI, Argentina                                                                                                                                          |
| 56          | Avenida Luis Carlos Berrini, 105 – 17º andar - cj. 171, Cidade Monções, São Paulo/SP, Brazil, 04571-010                                                                                             |
| 57          | Cruz del Sur 133 of, 802 Las Condes, Santiago, CL                                                                                                                                                   |
| 58          | Cra 16 No 93A-36 Piso 6, Bogota, Colombia                                                                                                                                                           |
| 59          | Lot 210 New Market Street, Georgetown, Guyana                                                                                                                                                       |
| 60          | Mariano Escobedo #476, 13th floor, Colonia Nueva Anzures, Mexico City, 11590, Mexico                                                                                                                |
| 61          | Century Tower, Piso 17, Oficina 1705, Via Ricardo J. Alfaro, Panama City, 0832-0588, Panama                                                                                                         |
| 62          | Amador Merino Reyna 285, ofi.601 San Isidro, Lima, Peru                                                                                                                                             |
| 63          | G-8 O'Neill St, San Juan, PR, 00918, Puerto Rico                                                                                                                                                    |

## Notes to the financial statements

### 28. Non-controlling interests

The non-controlling interest relates to ERM SuMi TRUST Consulting Limited (2024: The Renewables Consulting Group (Nordic) AS).

|                                                                     | 2025       | 2024     |
|---------------------------------------------------------------------|------------|----------|
| Cost and carrying amount                                            | \$000      | \$000    |
| At 1 April                                                          | -          | (7)      |
| Subsidiary shares issued to non-controlling interest <sup>(1)</sup> | 231        |          |
| Share of retained profit for the year                               | 1          | 7        |
| <b>At 31 March</b>                                                  | <b>232</b> | <b>-</b> |

- (1) On 1 April 2024, ERM Japan Ltd. entered into a joint venture agreement with Sumitomo Mitsui Trust Bank, Limited to incorporate ERM Sumi TRUST Consulting Limited, and subscribe to 65% and 35% stakes in the ordinary share capital of the business respectively. \$231,000 represents the subscription to share capital made by Sumitomo Mitsui Trust Bank, Limited during the year ended 31 March 2025.

### 29. Ultimate parent company

The parent and ultimate parent company is Nature Topco UK Limited, a limited company registered in England and Wales. The smallest group within which the results of the Company are consolidated is The ERM International Group Limited, and the largest group with which the results of the Company are consolidated is Nature Topco UK Limited. The consolidated financial statements of Nature Topco UK Limited are available to the public and can be obtained from their registered address at 11th Floor 200 Aldersgate Street, London, England, EC1A 4HD.

As at 31 March 2025, the shareholdings in The ERM International Group Limited are held 67.82% by Nature Topco UK Limited and 32.18% by ERM management (comprised of approximately 752 individual shareholders). The shareholdings of Nature Topco UK Limited are held 54.25% by KKR Patagonia Aggregator L.P., 29.76% by KKR Core Investor (L) SCSp (both of which are ultimately controlled by KKR & Co. Inc, a Delaware corporation publicly listed on the New York Stock Exchange), 15.96% by Alba-KKR Core International SCA (a Luxembourg partnership limited by shares), and 0.03% shareholding is held by the ERM Group Employee Benefit Trust.

### 30. Events since the balance sheet date

On 30 December 2024, Environmental Resources Management, Inc., a subsidiary in the Group, entered into an agreement to acquire the environmental division of the NewFields group of companies ("NewFields"). Following the satisfaction of closing conditions, the acquisition was completed on 1 April 2025 through the purchase of 100% of the issued and outstanding membership interests in NewFields Environmental Holdco, LLC. The acquisition strengthens ERM's position as a market leader in Liability Portfolio Management and Remediation ("LPMR") services, adding approximately 110 specialists, including 10 Partners, to ERM's 600-person North American LPMR team. This enhanced capability will further support ERM's clients in managing environmental risks and legacy liabilities.

Cash consideration of \$46,824,000 was paid on completion. Of this amount, \$275,000 was held in escrow to cover potential indemnity claims and \$1,275,000 was used to settle transaction expenses on behalf of the sellers, resulting in net proceeds to sellers of \$45,274,000. The Group expects to recognise intangible assets reflecting the fair value of acquired brands, customer relationships and customer order books. At the time these financial statements were authorised for issue the Group had not yet completed the acquisition accounting.

The Group drew down \$40 million on the revolving credit facility during August 2025 and subsequently repaid \$5 million in September 2025.

**Your answers should be verified per 52 Pa Code § 1.36.** Accordingly, you must provide the following statement with your responses:

*I, C. Alan Zang, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).*

Signature



Title Partner, Global Commercial Director

Date

6/24/2026

Please note that all documents requiring notary stamps must have original signatures.

**STATE OF DELAWARE**

**COUNTY OF SUSSEX**

NOTARY



DATE:

06/24/2026

