

Registration number: 03022416

IQVIA Ltd.

Annual Report and Financial Statements
for the Year Ended 31 December 2022



IQVIA Ltd.

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IQVIA Ltd.
Company Information

Registered number of incorporation	03022416
Directors	K J Turland J G Berkshire T P Sheppard N A Kotchie
Company secretary	Halco Secretaries Limited
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accounts and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH
Bankers	BNP Paribas 10 Harewood Avenue London NW1 6AA
Registered Office	3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022

The directors present their report for the year ended 31 December 2022.

Principal activities

The company's principal activities are the provision of advanced analytics, technology & analytics solutions and research & development services to the life sciences industry.

The company is a wholly owned subsidiary of IQVIA Holdings Inc., a company incorporated in the United States of America and listed on the New York Stock Exchange (together with its subsidiaries, "IQVIA"). Any reference made to IQVIA throughout the financial statements refers to IQVIA as a group.

Results and dividends

The profit and loss account for the year is set out on page 21. During the year, the company made a profit for the financial year of £362.66 million (2021: £184.90 million). As 31 December 2022, the company had net assets of £4,471.23 million (2021: £4,107.20 million).

The directors did not recommend a dividend for the year (2021: £nil).

Business review and future developments

As it relates to Research & Development Services (RDS) activities, the company is an international Contract Research Organisation (CRO) providing full service solutions from Phase 1 to late Phase Clinical trials.

As it relates to Technology & Analytics Solutions (TAS) activities, as a licensee of IQVIA, the company undertakes certain management, operational, consulting and technical activities, including the management of data transformation services, software development and coordination of analytics services for the IQVIA TAS business.

The markets for Research & Development Services offerings are highly competitive, and IQVIA Ltd. compete against traditional contract research organizations ("CROs"), the in-house research and development departments of biopharmaceutical companies, universities and teaching hospitals. Among the traditional CROs, there are several-hundred small, limited-service providers, several medium-sized firms and only a few full-service companies with global capabilities.

We address the needs of the healthcare industry by providing product development and integrated healthcare services to help our customers navigate the complex healthcare environment and improve outcomes. The broad scope of our services allows us to help our customers rapidly assess the viability of a growing number of potential new therapies, cost-effectively accelerate development of the most promising ones, launch new products to the market quickly, and evaluate their impact and appropriate use on patients.

In total 3,389 (2021: 3,161) people, on a monthly average basis, were employed, with revenue of £2,491.90 million (2021: £2,139.12million). The company's profit before income tax was £399.38 million (2021: £205.51 million). The company's profit before tax has increased by 94.34% compared to the previous year, primarily due to £591.10 million dividend received from subsidiary undertakings offset against investment impairments, largely due to the reorganisation of subsidiaries, of £401.67 million (2021: £32.27 million).

On 18 February 2022 the company acquired the entire issued share capital of Prioritis SAS and 50% of the issued share capital of Prioritis Limited for €27.40 million (£22.90 million).

On 1 August 2022, the company acquired the entire issued share capital of Pharmaspectra Topco Ltd and of its subsidiaries Pharmaspectra Midco 1 Ltd, Pharmaspectra Midco 2 Ltd, Pharmaspectra Dollarco Ltd, Pharmaspectra Group Ltd, Pharmaspectra US LLC and Pharmaspectra Informatics Private Limited for \$36.70 million (£31.85 million).

On 3 October 2022, the company acquired the entire issued share capital of LH Perspectives Limited for £41.20 million.

As part of a restructuring project undertaken by the IQVIA group, on 15 December the entire share capital of IQVIA Technology Services Limited, owned by the IQVIA group, was acquired for £35.58 million. On 31 December 2022 the company acquired the trade and assets of IQVIA Technology Services Limited for £7.70 million, and subsequently impaired its investment by £28.78 million.

On 17 June 2022, the company received a dividend of £93.45 million from its subsidiary IQVIA Solutions Finance UK V Ltd. in specie of the intercompany balance receivable from IQVIA Ltd. The company would then apply this to settle the intercompany balance payable by IQVIA Solutions Finance UK V Ltd.. In addition on 21 October 2022, the company received a final dividend of CHF 304.19 million (£269.89 million).

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022 (continued)

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Revenue	£ 000	2,491,900	2,139,116
Operating profit	£ 000	251,900	161,896
Operating margin	%	10.11	7.57

Detailed discussion on the KPIs affecting the Group as a whole is provided in the IQVIA Holdings Inc. 2022 Annual Report and Financial Statements.

Section 172(1) statement

This statement aligns to the section 172 statement requirements contained in Section 414CZA of the Companies Act 2006.

This statement focuses on how the directors have had regard during the year to the matters set out in Section 172(1) (a) to (f) of the Act when performing their duties by incorporating information from other areas of the Annual Report to avoid unnecessary duplication. The Board considers that the statement focuses on those risks and opportunities that were of strategic importance to IQVIA.

IQVIA Ltd.'s ultimate controlling party, IQVIA Holdings Inc., shapes the business strategies for the IQVIA worldwide group ("IQVIA") which has a direct impact on the long term development of IQVIA Ltd. (the "company"). The company's strategic decisions are aligned with IQVIA, consequently, all decisions and policies affecting employees, suppliers and business relationships with stakeholders implemented by the directors are in line with the business vision of IQVIA. Further information on vision and governance may be obtained from the IQVIA website www.iqvia.com.

The directors of IQVIA Ltd. (the "company") are aware of their duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company to maintain a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the company.

The company is focused on having a positive impact on the healthcare community, industry, and its environment. Whilst the company's business is run for the benefit of our shareholders, it is committed to the wellness and safety of its employees and customers, acting ethically, with integrity, and with consideration to the communities and environment in which it operates.

Long term decisions and actions

As a world leader in using advanced analytics, technology, and science to drive healthcare forward, we must balance the immediate challenges of the fast paced nature of our industry with longer term developments and emerging technologies, so that our business has the confidence to innovate and maximise opportunities as they arise.

To ensure the business regularly considers and evaluates its long-term strategy, IQVIA hold frequent forums at the operational level that seek to identify and anticipate trends and risks in the market. Information gathered at these meetings is fed through to the leadership team, to help the business to update its long-term roadmap for all service offerings. Market evolution and market shaping is both implicit and explicit in our planning processes and business reviews.

IQVIA consider the possible long-term consequences of any material proposed course of action, including potential safety, financial and reputational risks.

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022 (continued)

Expand portfolio through acquisition

IQVIA continue to acquire assets and businesses within the group and externally to strengthen our value proposition to clients. The group have developed an internal capability to source, evaluate and integrate acquisitions that have created value for shareholders. The directors review the information provided by the due diligence team prior to approving acquisitions. As the global healthcare landscape evolves, we expect that there will be a growing number of acquisition opportunities across the life sciences, payer and provider sectors. The directors review and approve restructuring plans including internal acquisitions where they are in the interests of the company and the wider group e.g. to increase operating efficiencies and simplify group structure.

The interests of our employees

Our success substantially depends on the collective performance, contributions and expertise of our employees. Our employees are critical to our continued success and are a core element of our long-term strategy. We are committed to maintaining a culture of diversity and inclusion in which people from all backgrounds can fully contribute to the growth and success of our business. Our commitment to diversity is reflected in the various policies, programs, training and support we offer, including our Employee Resource Groups and our highly diverse workforce.

Our employees have access to our global learning platform where our diverse workforce can readily find the resources required to help address customer needs. We have a Talent and Learning Hub and Technical Literacy site to provide training and tools that help employees develop the skills needed today and support their readiness for new opportunities. Helping our dedicated people grow, develop, and reach their full potential in this constantly shifting landscape keeps our teams motivated and engaged as they support customers around the globe. More information on our employee engagement is provided in the Directors' report.

Relationships with suppliers and customers

IQVIA is committed to supporting sustainable business practices and running our business in a socially responsible way that helps create long-term value.

Suppliers

We work with our supplier base to ensure our operations can be carried out as efficiently as possible. We aim to treat all suppliers equally and have established the "Supplier Code of Conduct" to set common values and standards for our suppliers, as well as encouraging them to perform better than their basic requirements in all fields.

Our purchase order system allows suppliers to track their invoices so they have full visibility between submission and payment.

Customers

We place our customers at the centre of everything we do. We develop a deep understanding of the challenges they face in order to build successful, enduring relationships with them. We adapt to changing circumstances in partnership with our customers to develop flexible, innovative solutions to enable their success.

Our long relationships with customers are built on our ability to understand their requirements. We have a sophisticated customer account management system which regularly engages in dialogue with our customers about their strategy, goals, challenges and needs. Through this dialogue and our own experience and expertise we design and implement solutions tailored to them.

More information on our customer and supplier engagement is provided in the Directors' report.

Impact on the community and the environment

The company recognises that being a responsible business requires a firm commitment to following conscientious environmental practices and it establishes specific objectives and targets to continually reduce its environmental impact where possible. The company complies with all applicable laws and regulations as they relate to the provision of biopharmaceutical-regulated activities. Environmental laws and regulations are incorporated into the company's policies and procedures to promote global awareness across the business.

IQVIA is a member of the United Nations Global Compact affirming our commitment to embed sustainability across our business.

As part of our focus on continual improvement of our sustainability programs, IQVIA have been awarded a Silver Ecovadis rating for 2022, advancing from our Bronze Ecovadis rating awarded in 2021.

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022 (continued)

Our employees and suppliers are expected to support IQVIA's waste management and disposal programmes. We strive to segregate and dispose of waste in a way that minimizes adverse impacts and raise awareness for the employees to improve waste minimisation, segregation, and disposal.

Travel is necessary for global businesses. As our business grows, we will continue to find ways to mitigate and reduce its impact. With the ongoing increase in employee headcount due to our growth, we will continue efforts to decrease airline use and company car carbon emissions.

We recognise that the footprint of our property portfolio is directly connected to our carbon footprint. Although our headcount has grown as a result of increased business, we have managed to reduce our property portfolio and we continue to review office demand across the business.

IQVIA provides financial and in-kind support for a variety of health-related non-profit organisations. We support causes and programmes that are important to our employees. These include community fundraising and volunteer activities, and support for health-related charities and natural disaster fund drives. Our IQVIA Day gives our employees a day off to perform volunteer activities within their local communities.

Business Conduct

Wherever IQVIA does business in the world, the fundamental values of honesty, integrity, and ethical conduct form the core of everything we do. The directors are committed to maximising long-term shareholder value while supporting management in the operations of the business, observing ethical standards and adhering to all applicable laws.

Our reputation is shaped by the personal decisions of every employee, and so to guide those decisions, all our employees and directors must adhere to our code of conduct, "Doing the Right Thing". We provide various channels (local and global) for employees to obtain answers to questions or to report potential or actual violations of law, regulation, or policy freely and without fear of retaliation. This helps to ensure we promote a culture where employees are comfortable bringing up their questions or concerns.

We are passionate about our work and want our name to stand for excellence. We are proactive and deliver high-quality solutions.

Acting fairly between members

The company's only member is IQVIA RDS Holdings, which is a subsidiary of IQVIA Holdings Inc.. As both the sole member and the company are in the same group, the member has direct access to the Board. The directors are in regular contact with the sole member through monthly financial reporting and ad-hoc communications. This ensures that the member is kept informed of events and has opportunity to take part in the running and strategic direction of the company.

Principal risks and uncertainties

The key business risks affecting the company are as set out below:

Business environment

IQVIA is a leading global provider of advanced analytics, technology solutions and contract research services to the life sciences industry. IQVIA applies human data science - leveraging the analytic rigor and clarity of data science to the ever-expanding scope of human science - to enable companies to reimagine and develop new approaches to clinical development and commercialization, speed innovation, and accelerate improvements in healthcare outcomes for patients.

The group compete in a market of greater than \$260 billion revenue consisting of outsourced research and development, real-world evidence and connected health and technology enabled clinical and commercial operations markets for life sciences companies and the broader healthcare industry.

The group estimate annual market growth to be 3-7.5% across our business segments between 2021 and 2025. We believe the annual markets for our Product Development to be greater than £54.9 billion (\$75 billion). The outsourcing trend in biopharmaceutical and healthcare spending is an important market growth component. We are at a time of great change in the pharmaceutical industry, and the provision of healthcare in general. After a century of domination by large, vertically and horizontally integrated companies - companies that needed that integration to bring quality products on a global scale - we are seeing a massive change. Advances in science, technology, and focused service providers - like IQVIA Ltd. - allow companies to shed functions in order to become more focused and more efficient, thereby improving their shareholder returns. We have seen this trend in other industries, and it has arrived in biopharmaceuticals and healthcare.

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022 (continued)

The main strength of IQVIA Ltd. is to tailor our service delivery to meet the specific needs of our customers, utilising our global infrastructure, data and expertise of our employees.

IT and systems information

Security breaches and unauthorised use of our IT systems and information could expose us, our clients, our data suppliers or others, to risk of data loss. We may experience challenges with the acquisition, development, enhancement or deployment of technology necessary for our business.

Our business depends on the continued effectiveness and availability of our information systems, including the information systems we use to provide our services to our clients.

Data protection, privacy and similar laws restrict access, use and disclosure of personal information, and failure to comply with these laws could materially harm our business.

Pharmaceutical environment

Revenue and margins are dependent on a variety of factors at play in the industry. To mitigate this risk the company is expanding service offerings and is now supplying services to a broader range of customers including government agencies.

Competition

The company operates in a highly competitive market which places pressure on margins. To mitigate this risk the company is focusing on service development and continually adding value to its current offerings.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, interest rate risk, liquidity risk and credit risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The policies are set by IQVIA in conjunction with the company and are implemented by the company's finance department.

Foreign exchange rate risk

The company is exposed to movements in foreign exchange rates as a result of transactions with a number of customers and intercompany organisations. IQVIA's treasury function measure the risk to the company of the foreign currency exposure by considering the effect on the company's net asset value and income of a movement in the rates of exchange to which the company's assets, liabilities, income and expenses are exposed. The company may use short term forward currency contracts to manage foreign exchange exposure, variability of results and to manage the changes in working capital.

The company's ultimate parent undertaking (see note 31) manages the foreign exchange rate risk associated with the whole group, as disclosed in the financial statements of that company.

Interest rate risk

The company has interest bearing and non interest bearing assets and liabilities in the form of inter-company loans and cash. Cash balances earn interest at floating rates through a cash-pooling facility with other group companies. Inter-company operating balances where appropriate are unsecured, interest free, have no fixed date of repayment and are repayable on demand and inter-company loans where appropriate are unsecured, interest-bearing and have scheduled repayments with notice but auto-renew for a further term if no notice is given.

Liquidity risk

The company manages a liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a group level by the company's ultimate parent undertaking.

Credit risk

The company generally has no significant concentrations of exposure to credit risk. The company has implemented policies that require appropriate checks on potential new customers before sales commence and the amount of any individual counterparty is subject to a limit which is reassessed regularly by the company's management.

IQVIA Ltd.

Strategic Report for the Year Ended 31 December 2022 (continued)

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Approved by the board on 14 September 2023 and signed on its behalf by:



.....
K J Turland
Director

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022

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

Business review

Fair review of the business

For Business review and future developments, please refer to Business review and future developments section of the Strategic Report on page 2.

Research and development

The company is currently undertaking research and development into new drugs and pharmaceutical compounds.

The key trends affecting our end markets that will create increasing demand for research and development services are:

Growth in Research and Development

Spending trends in research and development are impacted as a result of several factors, including major biopharmaceutical companies' efforts to replenish revenues lost from the so-called "patent cliff," increased access to capital by the small and midcap biotechnology industry, and recent increases in pharmaceutical approvals by regulatory authorities. We believe that further research and development spending, combined with the continued need for cost efficiency across the healthcare landscape, will continue to create opportunities for biopharmaceutical services companies, particularly those with a global reach and broad service offerings, to help biopharmaceutical companies with their pre- and post-launch solutions development and commercialisation needs.

Increased Complexity in Research and Development

Biopharmaceutical companies face environments in which it has become increasingly difficult to operate. Improved standards of care in many therapeutic areas and the emergence of new types of therapies, such as biologics, genetically targeted therapies, gene and stem cell therapies, and other treatment modalities have led to more complex development and regulatory pathways. For example, the United States and European countries have recently released guidelines for the development of "biosimilar" products. We believe that our global clinical development capabilities, including our expertise in biomarkers and genomics and our global laboratory network, position us well to help biopharmaceutical companies manage the complexities inherent in an environment where this type of expertise is important. For example, the "Connected Intelligence" helps us validate protocols to ensure studies in new disease areas have greater accuracy and also enables us, through innovations such as predictive analytics, to find patients who may not have been diagnosed.

Regulators require clinical trials involving local populations as part of the process for approving new pharmaceutical products, especially in certain Asian and emerging markets. Understanding the epidemiological and physiological differences in different ethnic populations and being able to conduct clinical trials locally in certain geographies will be important to pharmaceutical product growth strategies, both for multinational and local/regional biopharmaceutical companies. We believe that our global clinical development capabilities and unmatched presence in Asia and other emerging markets make us a strong partner for biopharmaceutical companies managing the complexities of international drug development.

Financial pressures driving the need for increased efficiency

Despite expected accelerating growth in the global life sciences market, we believe our clients will face increased operating margin pressure due to their changing product mix, pricing and reimbursement challenges, and rising costs of compliance. Product portfolios for life sciences companies have shifted toward speciality products with lower peak market sales potential than traditional primary care medicines. We believe that the need for biopharmaceutical companies to maximize productivity and lower costs across their processes from research and development through commercial operations will cause them to look to partners as they enter into outsourcing arrangements to improve efficiency. Further, our clients are looking for new ways to simplify processes and drive operational efficiencies by using automation, consolidating vendors and adopting new technology options such as hosted and cloud-based applications. This provides opportunities for technology services vendors to capture and consolidate internal spending by providing lower-cost and variable-cost options that lower clients' research and development, selling, marketing and administrative costs.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Evolving need to integrate and structure expanding sources of data

Over the past decade, many health systems around the world have focused on digitizing medical records. While such records theoretically enhance access to data, relevant information is often unintegrated, unstructured, siloed in disparate software systems, or entered inconsistently. In addition, new sources of data from the internet, such as social media and information on limited patient pools, and information resulting from enhanced diagnostic technologies are creating new sources of healthcare data. In order to derive valuable insights from existing and expanding sources of information, clients need access to statistically significant data sets organised into databases that can be queried and analysed. This information is highly relevant to healthcare stakeholders and we believe the opportunity to more broadly apply healthcare data can only be realised through structuring, organising and integrating new and existing forms of data in conjunction with sophisticated analytics.

We are well positioned for continued growth as we:

- Continue to innovate by leveraging our information, advanced analytics, technology and domain expertise;
- Build upon our extensive client relationships; and
- Expand the penetration of our offerings to the broader healthcare marketplace.

Results and dividends

The profit and loss account for the year is set out on page 21. During the year, the company made a profit £362.7 million (2021: £184.9 million). The directors recommended and paid a dividend of £nil for the year (2021: £nil).

Directors' of the company

The directors of company who were in office during the year ended 31 December 2022 and up to the date of signing the financial statements (unless otherwise indicated), were:

K J Turland

J G Berkshire

T P Sheppard

N A Kotchie

Political donations

There were no political donations made in the year (2021: £nil).

Employees

The company fully acknowledges the special needs of disabled people and gives full and fair consideration (having regard to the person's particular aptitudes and abilities) to applications for employment from disabled persons (as defined in the Disabled Persons (Employment) Act 1944). Those appointed are afforded the same opportunities for advancement as other members of staff.

The company will make every effort if an existing employee becomes disabled to retrain and retain them within the company, whenever reasonable and practicable.

The company continues to seek the active involvement of all employees through systematically providing employees with information on matters of concern to them as employees and consulting with employees on a regular basis so that the company can take the views of employees into account in making decisions that are likely to affect their interests.

Employee engagement

Attracting, developing, and advancing talent at all levels at IQVIA is critical to our business and an essential element of our inclusive and innovative workplace. IQVIA is dedicated to creating a productive work environment that exhibits teamwork, leadership, customer focus, integrity, and quality.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

We are committed to recruiting, training and retaining the best talent we can find. We provide employees with comprehensive training and career development opportunities. We encourage mentoring and establishing support networks as well as providing tools to help employees map out and achieve their goals. We continue to organise courses to assist managers on effective management for the company to achieve higher performance. Strict selection procedures and standards are in place to ensure non-discrimination in our employment policy. IQVIA is an equal opportunity employer and we make our employment decisions based on qualifications and merit.

IQVIA maintains a culture of diversity and inclusion in which people from all backgrounds are treated fairly and can fully contribute to the growth and success of our business. We have established Employee Resource Groups (ERGs) that allow our employees with similar interests and backgrounds to connect and collaborate to ensure their voices are heard within the leadership team. These ERGs are a reflection of our commitment to diversity and inclusion, and these groups support our values and business goals and foster the diverse thinking required for innovation.

The company operates a number of bonus and incentive schemes which encourage employees to contribute directly to the achievement of the company's goals and reward individual and collective success.

We engage with our employees through our intranet site, regular staff meetings and email notifications, on a range of topics including safety, welfare, career development and sustainability strategies. We also listen to our employees through regular surveys and focus groups within the company. This feedback helps us to review processes and identify any additional initiatives to increase our employee engagement and retention.

The company strives to enhance employee safety and care. The directors instruct management to hold health and safety review and planning meetings, and we have a comprehensive employee health and training programme that encourages employee involvement in monitoring and enhancing health and safety practices throughout the company.

We deal with grievances and complaints in a serious and timely manner. Anti-discrimination, anti-harassment and anti-retaliation policies are available to employees on our global intranet and are summarised in our Code of Conduct, which all employees must adhere to. IQVIA provide an ethics line, which is run by an external provider, where employees can report any concerns they may have anonymously.

Engagement with suppliers, customers and other relationships

The directors have a duty to promote the success of the company, and this relies on effective communication and engagement with stakeholders. The company acknowledges the importance of its stakeholders' opinions, and considers these within its decision making and operations.

Engagement with suppliers

The company has invested many years in developing strong relationships with a supply chain that shares our values. We recognise the value that these relationships bring. We aim to maintain these relationships in the same way that we do our customer relationships - through being accessible, easy to do business with and by doing what we say.

IQVIA actively seeks to foster an environment where our supply chain partners are held to sustainability standards that align with IQVIA's own values and objectives. IQVIA considers its ability to effectively leverage the various backgrounds, capabilities, and contributions of its supply chain partners to be a major factor in creating mutually rewarding business opportunities and enhancing its own business performance.

Our Supplier Code of Conduct sets out the expectations for our supply chain partners in a number of key areas, including:

- Ethics and Compliance
- Labour and Human Rights
- Environment
- Health and Safety

Engagement with customers

IQVIA seeks to maintain long-lasting customer relationships and deliver excellent customer service. Successful customer relationships require a thorough understanding of customer needs and challenges.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

We harness our resources and expertise to identify, understand, and address unmet public health needs and through our innovative technologies and offerings, we help our customers bring much needed therapies to market. Together with the companies we serve, we are enabling a more modern, effective and efficient healthcare system, and creating breakthrough solutions that transform business and improve patient outcomes.

IQVIA's flexible business solutions and commitment to customers' objectives allow it to provide customers with customized operational delivery models to meet their needs. We have access to one of the largest and most comprehensive collections of healthcare information in the world, and can analyse this data in ways that allow our customers to run their clinical, commercial and financial operations more effectively.

The company provides an added value service to its customers, focusing on high levels of personal service and maintaining strong relationships with its customer base. The company continues to focus on growing the business to expand its customer portfolio. Our service managers work to ensure we understand our customers' requirements and can deliver to meet their demands.

Engagement with others

Our other stakeholders include regulatory agencies, government, communities and research institutions and universities. IQVIA seeks to maintain long-lasting customer relationships and deliver excellent customer service. Successful customer relationships require a thorough understanding of customer needs and challenges.

We partner with academic research organisations to provide data resources and analysis to further their research endeavours. IQVIA also publish a range of reports each year through our Institute for Human Data Science which are freely available and made use of by the healthcare community.

Carbon emissions report

As IQVIA Ltd. is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and mandatory element of Scope 3 of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1,2 and 3 as these are material to our organisation's activities.

Organisational and operational boundaries of the company

IQVIA Ltd.'s structural and operational boundaries are the same. The company operates from six sites within UK. The company is not directly responsible for purchasing the energy. Therefore, electricity and gas consumption for all six offices is billed via the service charge.

Environmental Performance

IQVIA Ltd. decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol - Corporate Standard methodology. As at 31 December 2022 the company's energy usage and associated carbon emissions for the year, 1 January to 31 December 2022 were as follows:

Table 1 Total energy consumption and associated greenhouse gas emissions from Scope 1, 2 and 3 for SECR Year 2022

Name and description	Energy Use (kWh)	% Split (kWh)	Emissions (tCO2e/yr.)	% Split (tCO2e)
Combustion of Gas (Scope 1)	841,254	35.09%	153.5	31.28%
Electricity (Scope 2)	855,156	35.67%	165.4	33.70%
Transport (Scope 1 and 3)	700,943	29.24%	171.8	35.02%
	<u>2,397,353</u>	<u>100.00%</u>	<u>490.8</u>	<u>100.00%</u>

Note: Columns may not always add up due to rounding of numbers.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisations.

IQVIA Ltd. has chosen to compare overall energy consumption and associated emissions against the annual turnover figure and the total number of full-time equivalent employees.

Table 2 Intensity Ratio - Energy consumption and associated greenhouse gas emissions per £100,000 of annual turnover

Reporting Year	Total Energy Consumption (kWh)	Total GHG emissions (tCO ₂ e)	Annual turnover (£)	Intensity Ratio (kWh/ £100,000 of turnover)	Intensity Ratio (tCO ₂ e/ per £100,000 of turnover)
SECR Year 2020	2,406,064	511.40	1,880,446,971	127.95	0.027
SECR Year 2021	2,209,145	458.97	2,139,115,632	103.27	0.021
SECR Year 2022	2,397,353	490.75	2,491,900,040	96.21	0.020

Table 3 Intensity Ratio - Energy consumption and associated GHG emissions per the number of full-time employees

Reporting Year	Total Energy Consumption (kWh)	Total GHG emissions (tCO ₂ e)	Number of FTE Employees (-)	Intensity Ratio (kWh/ FTE Employees)	Intensity Ratio (tCO ₂ e/ FTE Employees)
SECR Year 2020	2,406,064	511.40	2,834	849.00	0.180
SECR Year 2021	2,209,145	458.97	3,161	698.90	0.145
SECR Year 2022	2,397,353	490.75	3,390	707.20	0.145

The data shows that turnover has increased by over 30% since 2020 whilst energy consumption has decreased. This has also resulted in a substantial reduction in the intensity ratio.

At the same time, the number of FTE employees has increased by almost 20% whilst energy consumption has also decreased. The net effect is a decrease in the FTE employee intensity ratio.

Energy intensity ratios are calculated and presented as advised by BEIS recommendations.

Energy Efficiency Actions

IQVIA continues to take measures to reduce our carbon footprint as follows:

- Reducing office space
- Reducing the energy use of idle equipment
- The technology department purchases Energy Star certification equipment where available
- Extending the useful life of servers, routers and other types of equipment

Methodology

The methodology used for determining energy and carbon emissions originates from a number of sources of greenhouse emissions:

- Natural gas used for building heating and domestic hot water (Scope 1)
- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2)
- Transport activities (Scope 1 and Scope 3)

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

We do not have direct responsibility for the energy use within our sites, and hence gas and electricity consumption are paid within the service charge, and therefore the energy has been estimated. The estimation calculations were undertaken based on the occupied office floor area and Department for Business, Energy and Industrial Strategy "Building Energy Efficiency Survey: Office sector, 2014-15" energy benchmarks (private sector offices median for electrical and non-electrical energy intensities of 88 and 88 kWh/m² respectively) were used. In all cases energy use was corrected to a full year's data as necessary.

Transport emissions were determined from the mileage travelled on business in company cars broken down by engine size and fuel type and in personal vehicles (grey fleet) based on an average car. This information was obtained through the company's expense claim system. Engine size was used to classify the company cars in to small, medium and large by fuel type in order to convert the mileage into carbon dioxide equivalent emissions. However, if the information on the engine size and fuel type was not available (grey fleet), the average car was assumed.

GHG emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2022.

Table 4 – Energy and Carbon Conversion Factors, gas, electricity and company car

Activity	Fuel	Unit	Year	kgCO ₂ e
Combustion of Gas	Natural Gas	kWh	2022	0.1934
Grid supplied electricity	Electricity: UK	kWh	2022	0.1825

Fuel	Car size	Conversion factor (kg/mile)	Conversion factor (kWh/mile)
Diesel	Small	0.22514	0.87937
Diesel	Medium	0.27039	1.05851
Diesel	Large	0.33722	1.32314
Petrol	Small	0.2358	0.98582
Petrol	Medium	0.29724	1.24392
Petrol	Large	0.4448	1.86367
LPG	Average	0.31823	1.38051
Average car		0.27465	1.1132

Directors' liabilities

Qualifying third party indemnity provisions (as defined in the Companies Act 2006) are in force for the benefit of Directors and former Directors who held office during 2022 and up to the approval and signature of the Annual Report.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

Matters covered in the Strategic report

Disclosure of the company's Financial Risk Management is provided in the Strategic report.

Important non adjusting events after the financial year

The post balance sheet events are disclosed in note 30 of the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Corporate governance

For the year ended 31 December 2022, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council ('FRC') in December 2018 and available on the FRC website) to meet its corporate governance reporting requirements under The Companies (Miscellaneous Reporting) Regulations 2018. The Directors set out below how the Company has applied the principles over the past year.

Wates Principles

Principle 1 - Purpose and leadership

The Company's vision is to deploy disruptive technology and scientific innovation to help customers and key stakeholders advance healthcare and improve patient outcomes. Our solutions help customers innovate with confidence, maximise opportunities and, ultimately, drive healthcare forward.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

We support the life sciences industry across the full product lifecycle, from molecule to market. Together with our life sciences and National Health Service (NHS) customers, we aim to enable a more modern, effective healthcare system, and to create breakthrough solutions that transform patient outcomes.

The Directors promote the Company's vision to all employees by integrating this into our internal documentation, such as our Code of Conduct, which our employees are required to periodically review.

The Board of Directors (Board) is committed to maximising long-term stakeholder value while supporting management in the business and operations of the Company, observing ethical standards, and adhering to the laws of the jurisdictions within which the Company operates.

The primary responsibility of the Board is to exercise its business judgement to act in what it reasonably believes to be the best interests of the Company and its key stakeholders.

Principle 2 - Board composition

As a subsidiary undertaking of IQVIA, the Company benefits from the wealth of experience of IQVIA's larger Board. The guidance from IQVIA allows the Company to function with a reduced size of Board. During the 2022 year, the Company had four directors. The Company considers this to be an appropriate balance of expertise and effective decision-making for efficiently delivering the Company's vision.

The composition of the Board is designed to ensure clear accountability for the management of the business and oversight of the management team, and brings together deep experience of the sector and other financial based experience.

During 2022, the Board was comprised of: a Tax Director; a VP of Finance (a senior VP of Business Operations) who is responsible for operational effectiveness across IQVIA; a senior VP & General Manager of North Europe, who is responsible for the commercial operations within Northern Europe; and a VP of RDS Applied Data Science. The Directors are experienced business leaders with multiple directorships.

We are conscious of the diversity of our Board, however we are committed to making appointments based solely on merit, without any discrimination relating to age, gender, race, or any other matter that has no bearing on an individual's ability to fulfil the role of Director. Our Board benefits from the differing backgrounds and experience of our Directors, who bring different approaches, ideas and diversity of thought.

For example, as can be seen above our current directors each bring a different perspective, reflecting their diverse backgrounds in operations, finance and compliance. In this context, we consider our Board is appropriately balanced to undertake its functions effectively.

Principle 3 - Director responsibilities

The Board holds frequent meetings, which are on an ad-hoc basis to give flexibility to allow the Board to meet when it is most necessary. This minimises bureaucracy and focusses the Board to respond appropriately. In 2022, the Board held a total of 17 meetings, which covered a range of purposes that were of strategic and operational importance to the Company, both at the present time, and for the future.

Each meeting is led by the Director with the most experience on the topic under consideration. This helps to ensure meetings are guided effectively.

The Board members are provided with timely management information on a regular basis. This includes information on financial performance, financial forecasts and risk.

During 2022, a key area of focus for the Directors was a corporate reorganisation within the IQVIA group, which has seen the Company acquire the trade and assets of certain fellow group undertakings and also the rationalisation of subsidiaries.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Principle 4 - Opportunity and risk

In order to ensure the sustainable long-term success of the business, we must identify both the opportunities which are available to the business and the risks which impact on it.

The key risks to the Company are summarised in the 'principal risks and uncertainties' section of the Strategic Report. Our business is normally very consistent and as such, risks to the Company do not tend to change. Despite this, IQVIA review the risks facing the business on an annual basis to consider whether the identified risks are still applicable. The Directors are also made aware of any significant risks that come to light during the year, either from the Company's service line heads or from the IQVIA Board, and they respond as required in order to mitigate the impact as far as is possible.

The Company consists of multiple service lines, which are each ultimately managed by the IQVIA Board. The Company's Board does not actively monitor or seek opportunities for the Company as this is performed at the IQVIA level. Should the Directors become aware of suitable opportunities for the Company and wider business to pursue, such opportunities will be notified to the IQVIA Board for consideration.

The Directors maintain an awareness of opportunities for future developments, and these are explained in the 'business review and future developments' section of our Directors' Report.

Principle 5 - Remuneration

The Directors of the Company do not receive remuneration directly for their appointments on the Board. They have positions as senior employees within the Company and are remunerated for these roles. Remuneration forms part of the annual appraisal process that all employee and Directors are subject to. Remuneration is set based on the performance of the individual and the performance the Company, and subject to remuneration guidelines that are determined by the Human Resources team and are benchmarked to our competitors.

Certain Directors and other senior employees can participate in IQVIA's share option scheme, allowing them to participate in the success of the Company's and wider Group's business. This helps to ensure that the goals of our key employees and directors are aligned towards our shareholder's requirement for long-term value generation.

All Directors can benefit from the Company's bonus scheme, which is based on the achievement of individual performance objectives and the financial result of the Company. This provides the opportunity for our Directors to share in the success of the Company.

The Company monitors its gender pay gap on an annual basis and reports this in its Gender Pay Gap Report available on the IQVIA website. The Company is committed to providing a culture of inclusion and aims to reflect equality of pay for equal roles.

Principle 6 - Stakeholder relationships and engagement

We believe that effective communication and acting as a good corporate citizen are essential to deliver our vision and to protect the Company's brand, reputation and relationships with our stakeholders, who include our shareholder, our customers, our employees, our suppliers and the local communities in which we work.

We are committed to running our business in a sustainable way and we believe this helps create long term shareholder value. We undertake this through the adoption of policies and practices related to sustainable development, including environmental, health and safety; corporate social giving; supporting the human rights of workers; and ethical business practices. Our sustainability programme focuses on three core areas:

- Planet – Making a positive impact on the environments in which we work
- People – Creating a workplace of highly engaged, diverse, safe, and healthy employees
- Public – Engaging consistently and transparently in a manner that inspires participation and demonstrates leadership insustainability

We have set out details on how we engage with our employees and other stakeholders within the 'employee engagement' and 'engagement with other stakeholders' sections of our Directors' Report.

IQVIA Ltd.

Directors' Report for the Year Ended 31 December 2022 (continued)

Approved by the board on 14 September 2023 and signed on its behalf by:



.....
K J Turland
Director

IQVIA Ltd.

Independent auditor's report to the members of IQVIA Ltd.

Report on the audit of the financial statements

Opinion

In our opinion, IQVIA Ltd.'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report", which comprise: the Balance Sheet as at 31 December 2022; the Profit and Loss Account, Statement of Other Comprehensive Income, and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

IQVIA Ltd.

Independent auditor's report to the members of IQVIA Ltd. (continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to direct and indirect tax laws relevant to the company's operations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance with regard to consideration of known instances of non-compliance with laws and regulations or fraud
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations or fraud
- Reading minutes of meetings of those charged with governance
- Evaluation of management's controls designed to prevent and detect irregularities
- Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates such as those relating to costs to complete for revenue recognition in fixed-price revenue contracts (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business
- Incorporating elements of unpredictability into the audit

IQVIA Ltd.

Independent auditor's report to the members of IQVIA Ltd. (continued)

- Designing and executing appropriate testing approaches for areas of the audit deemed to be significant and elevated risks, namely accuracy of revenue recognition on long-term contracts and accuracy of price allocation on contracts with multiple performance obligations, valuation of investments, and valuation of pension plan liabilities
- Assessing the appropriateness of potential contingent liabilities

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



.....
David Farmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date: 22/09/2023

IQVIA Ltd.
Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Turnover	5	2,491,900	2,139,116
Cost of sales		<u>(2,033,777)</u>	<u>(1,803,782)</u>
Gross profit		458,123	335,334
Administrative expenses		(196,375)	(170,924)
Other operating expenses		<u>(9,848)</u>	<u>(2,514)</u>
Operating profit	6	251,900	161,896
Income from shares in group undertakings	13	591,099	48,417
Investment impairment	18	(401,671)	-
Interest receivable and similar income	10	24,651	12,683
Interest payable and similar expenses	11	<u>(66,602)</u>	<u>(17,490)</u>
Profit before tax		399,377	205,506
Tax on profit	12	<u>(36,713)</u>	<u>(20,607)</u>
Profit for the financial year		<u><u>362,664</u></u>	<u><u>184,899</u></u>

The above results were derived from continuing operations.

The notes on pages 25 to 73 form an integral part of these financial statements.

IQVIA Ltd.

Statement of Other Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Profit for the financial year		<u>362,664</u>	<u>184,899</u>
Items that will not be reclassified to profit or loss			
Actuarial gain on pension scheme	19	2,739	32,210
Current tax on pension scheme		<u>3,211</u>	<u>(7,504)</u>
		<u>5,950</u>	<u>24,706</u>
Items that may be subsequently reclassified to profit or loss			
Gain/(loss) on cash flow hedges	4	1,722	(5,805)
Current tax relating to cash flow hedge		<u>431</u>	<u>1,229</u>
		<u>2,153</u>	<u>(4,576)</u>
Total comprehensive income for the year		<u><u>370,767</u></u>	<u><u>205,029</u></u>

The above results were derived from continuing operations.

The notes on pages 25 to 73 form an integral part of these financial statements.

IQVIA Ltd.
Balance Sheet as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	14	18,509	15,973
Tangible assets	15	13,407	15,136
Right of use assets	16	12,298	15,011
Investments	18	4,088,286	4,358,392
Pension assets	19	<u>35,630</u>	<u>28,202</u>
		<u>4,168,130</u>	<u>4,432,714</u>
Current assets			
Stock	20	95	95
Trade and other debtors (falling due after more than one year £- (2021: £5,750,000))	21	1,531,478	1,020,227
Cash at bank and in hand		22,190	31,192
Contract assets	5	<u>263,434</u>	<u>189,203</u>
		1,817,197	1,240,717
Creditors: Amounts falling due within one year	22	(1,143,450)	(1,236,019)
Contract liabilities	5	<u>(333,932)</u>	<u>(310,007)</u>
Net current assets/(liabilities)		<u>339,815</u>	<u>(305,309)</u>
Total assets less current liabilities		4,507,945	4,127,405
Creditors: Amounts falling due after more than one year	23	(23,862)	(19,096)
Provisions for liabilities	24, 12	<u>(12,851)</u>	<u>(1,108)</u>
Net assets		<u>4,471,232</u>	<u>4,107,201</u>
Capital and reserves			
Called up share capital	25	2,996,958	2,996,958
Share premium account		512,508	512,508
Other reserves	26	(121,144)	(116,856)
Retained earnings		<u>1,082,910</u>	<u>714,591</u>
Shareholders' funds		<u>4,471,232</u>	<u>4,107,201</u>

The notes on pages 25 to 73 form an integral part of these financial statements.

The financial statements on pages 21 to 73 were authorised for issue by the board of directors on 14 September 2023 and were signed on its behalf.



.....
K J Turland
Director

IQVIA Ltd.

Company registration number: 03022416

IQVIA Ltd.

Statement of Changes in Equity for the Year Ended 31 December 2022

	Note	Called up share capital £ 000	Share premium account £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022		2,996,958	512,508	(116,856)	714,591	4,107,201
Profit for the year		-	-	-	362,664	362,664
Other comprehensive income		-	-	-	8,103	8,103
Total comprehensive income		-	-	-	370,767	370,767
Credit relating to equity-settled share-based payments	27	-	-	-	20,769	20,769
Excess charge from parent for equity-settled shared based payments		-	-	-	(24,672)	(24,672)
Tax credit relating to share option		-	-	-	4,687	4,687
Deferred tax on share option	12	-	-	-	(3,232)	(3,232)
Investment merger	26	-	-	(4,288)	-	(4,288)
At 31 December 2022		<u>2,996,958</u>	<u>512,508</u>	<u>(121,144)</u>	<u>1,082,910</u>	<u>4,471,232</u>
			Share			
			premium			
			account			
			£ 000			
	Note	Called up share capital £ 000	Share premium account £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021		24,785	512,508	(114,370)	510,086	933,009
Profit for the year		-	-	-	184,899	184,899
Other comprehensive income		-	-	-	20,130	20,130
Total comprehensive income		-	-	-	205,029	205,029
Share capital issued	25	2,972,173	-	-	-	2,972,173
Credit relating to equity-settled share-based payments	27	-	-	-	16,282	16,282
Excess charge from parent for equity-settled shared based payments		-	-	-	(30,238)	(30,238)
Tax credit relating to share option		-	-	-	5,745	5,745
Deferred tax on share option	12	-	-	-	7,687	7,687
Investment merger	26	-	-	(2,486)	-	(2,486)
At 31 December 2021		<u>2,996,958</u>	<u>512,508</u>	<u>(116,856)</u>	<u>714,591</u>	<u>4,107,201</u>

The notes on pages 25 to 73 form an integral part of these financial statements.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The company's principal activities are the provision of advanced analytics, technology & analytics solutions and research & development services to the life sciences industry.

The company is a private company limited by share capital, incorporated and domiciled in England, UK.

The address of its registered office is:

3 Forbury Place
23 Forbury Road
Reading
Berkshire
RG1 3JH
United Kingdom

These financial statements were authorised for issue by the board on 14 September 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The financial statements of IQVIA Ltd. have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through other comprehensive income, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- Paragraphs 45(b) and 46 to 52 of IFRS 2 - 'Share-based payments' (how the fair value of goods/services received or equity instruments granted was determined and details of the number and weighted average exercise prices of share options).
- IFRS 7 - 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
 - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment' (reconciliations between the carrying amount at the beginning and end of the period)
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures)
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of Assets'

Changes in accounting policy

New standards, interpretations and amendments effective

The following have been applied for the first time from 1 January 2022 and have had no effect on the financial statements:

IFRS 17 Insurance Contracts

IFRIC Interpretations and new relevant disclosure requirements

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the company's financial statements.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

Exemption from preparing group accounts

The company is exempt under Section 401 of the Companies Act from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, IQVIA Holdings Inc., a company incorporated in USA, which are publicly available. The consolidated financial statements of IQVIA Holdings Inc. may be obtained from the company's website www.iqvia.com.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

At the balance sheet date, the company had net current assets of £339.8 million (2021: net current liabilities of £305.3 million) and has made a profit in this financial year. The ultimate parent company, IQVIA Holdings Inc., has confirmed that it will continue to provide such financial support as necessary to enable the company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. For this reason, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Foreign currency transactions and balances

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling', which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the profit and loss within 'Other operating expenses'.

Tangible assets

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation and less any accumulated impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight-line basis as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Period of the lease
Data processing equipment	3 years
Motor vehicles	4 years
Fixtures & fittings	3 - 10 years
Plant, machinery & equipment	3 - 10 years

The expected useful lives of the assets to the business are reassessed periodically in the light of experience. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating expenses' in the profit and loss account.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Intangible assets

Capitalised software licences are carried at acquisition cost less accumulated amortisation, less any accumulated impairment. Computer software development costs which are assets controlled by the entity and from which the entity expects to derive future economic benefits are capitalised. These costs may be acquired externally or generated internally when they are directly attributable to the development of the computer software.

Amortisation

Computer software maintenance costs are recognised as expenses in the statement of comprehensive income. Computer software licences and development costs are amortised as follows;

Asset class	Amortisation method and rate
Computer software licences and development costs	Straight-line over the useful life, not exceeding a period of 5 years

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

Financial instruments

Classification and measurement

The company classifies its financial assets in the following categories: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The classification depends on the business model within which the financial asset is held and contractual cash flow characteristics of the financial assets. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company holds several financial assets at amortised cost, as follows:

- Trade receivables;
- Amounts owed by group undertakings;
- Other receivables; and
- Contract assets.

Financial assets at fair value through the profit or loss (FVTPL)

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. On initial recognition, the company may irrevocably designate a financial asset as at fair value through profit or loss, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Initial recognition

Purchases and sales of financial assets are recognised on the trade date — the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Subsequent recognition

Financial assets

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss, except for derivative financial assets designated as hedging instruments.

Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through other comprehensive income (except for investment in equity instruments) are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Investment in equity instruments, if designated as fair value through other comprehensive income, are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never classified to profit or loss.

Impairment of financial assets

Measurement of Expected Credit Losses

The company recognises impairment losses for most financial assets (except for purchased or originated credit-impaired financial assets) on initial recognition at an amount equal to 12-month expected credit losses, which reflect the portion of lifetime cash shortfalls resulting from possible default events within 12 months after the reporting date. However, if there is a significant increase in credit risk since initial recognition, the impairment loss is measured at an amount equal to full lifetime expected credit losses, which reflect the lifetime cash shortfalls resulting from all possible default events over the life of the financial asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses.

Investments in subsidiaries

Investments in subsidiaries are initially recorded at purchase price. Impairment reviews are undertaken if there is an impairment trigger in accordance with IAS 36. When an impairment review is required, discounted future cash flow forecasts, based on financial budgets covering 4 years, are carried-out. A provision is made for impairment should this arise from the impairment review. The impairment is recognised in the profit and loss account below operating profit for 2022 as disclosed in note 18 (2021: above operating profit disclosed in note 6).

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of any derivative instruments are recognised immediately in the statement of comprehensive income within 'other operating expenses' unless the derivative is designated as a hedging instrument. The company has entered into certain derivative contracts for the purpose of hedging activities. Derivatives associated with hedging activities are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting fair value gain or loss depends on the nature of the item being hedged. The company has designated derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (i.e. cash flow hedges). The company documents at the inception of the transaction the relationship between hedging instruments and hedged item, as well as its risk management objectives and strategy for undertaking various hedging transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Fair value hedges

The fair values of various derivative instruments used for hedging purposes are disclosed in note 4. Movements on the hedging reserve are shown in the statements of comprehensive income. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or a liability when the remaining term of the hedged item is less than 12 months.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income within 'Other operating expenses'. Amounts accumulated in equity are recycled in the statement of comprehensive income in the year when the hedged item affects profit or loss. The gain or loss relating to the ineffective portion is recognised in the profit and loss account within 'Other operating expenses'.

Stock

Stock relate to consumables and are stated at the lower of cost and net realisable value. Cost is determined using the first in first out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade debtors

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months.

IQVIA Ltd. is a member of Quintiles Treasury EEIG, a membership formed to facilitate and develop the economic activities of its members by undertaking treasury and administrative services. As part of these services some cash balances are swept regularly to a Group cash facility administered by Quintiles Treasury EEIG. The balances are maintained in separate bank accounts and IQVIA Ltd. is deemed to remain the beneficial owner of the cash balance with the role of Quintiles Treasury EEIG being that of a trustee and as such these balances are disclosed as cash in these financial statements.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The company has chosen to present a credit relating to the company's Research and Development Expenditure Credit (RDEC) claim in pre-tax profit following the principles of accounting for government grants. The costs on which the RDEC is based are included in Note 6 as research and development expenditure.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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

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

Defined contribution pension obligation

The company operates two defined contribution pension schemes. One of the defined contribution pension schemes forms part of a hybrid pension plan. As such it is a defined contribution and defined benefit arrangement. Within the defined contribution section there are a selection of members (who hold pre 2004 benefits) with a defined benefit underpin. The company pays contributions to privately administered pension insurance plans on a contractual basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Defined benefit pension obligation

In addition, the company operates two defined benefit pension schemes for the benefit of a minority of its employees, the assets of which are held separately from those of the company in independently administered funds.

Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the net present value of the liabilities of the company's defined benefit pension scheme expected to arise from employee service in the year is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in other comprehensive income.

The company is also a member of the IMS (UK) Pension Plan which is a hybrid pension plan. As such it is a defined benefit and a defined contribution arrangement. Within the defined contribution section there are a selection of members (who hold pre 2004 benefits) with a defined benefit underpin. This is a pension plan operated for employees in IQVIA Ltd. Under IAS 19, a DC scheme is any scheme in which the company pays fixed contributions and has no legal or constructive obligation to make further contributions. Any scheme which does not meet the definition of a DC scheme is treated as a Defined Benefit scheme. Accordingly, due to the underpin, an element of this scheme must be treated as a DB scheme and the liabilities have been valued by an actuary.

Pension scheme surpluses, to the extent that they are considered recoverable (in line with IFRS 19), or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax. The company has recognised a surplus in respect of the Quintiles Scotland Pension Plan and IMS (UK) Pension Plan on the basis of legal advice taken since under the gradual settlement scenario any surplus would be returned to the employer. See note 19.

Share based payments

IQVIA Ltd. applies the requirements of IFRS 2 'Share based payments'.

All awards granted under these stock incentive plans to date are subject to service-based vesting. All option awards are exercisable for shares of IQVIA Inc. stock and are nonqualified stock options. Each option will terminate upon the tenth anniversary of the date of the grant.

Each restricted stock unit represents the right to receive one share of IQVIA Inc. stock shortly after vesting. These restricted stock units will settle in shares of our stock within 45 days of the applicable vesting date. The fair values of these options and awards are calculated at their grant dates using a Black-Scholes option pricing model and charged to the income statement over the relevant vesting periods.

When the options are exercised, the company is recharged the options' intrinsic value at exercise by IQVIA Holdings Inc. This recharge is accounted for as a deduction from shareholders' funds.

Provisions

Provisions for dilapidations, restructuring costs and legal claims are recognised when; the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Reorganisation provisions comprise employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Revenue recognition

Recognition

The company recognises revenue from the following major sources:

- Clinical services (RDS);
- Integrated health services;
- Technology and analytics services (TAS)

Clinical services and Integrated health services

Revenue from providing clinical services and integrated health services is recognised in the accounting period in which the services are rendered. When operating as a principal in a revenue arrangement, the company recognises revenue as the gross amount to which it expects to be entitled. When acting as an agent, the company recognises revenue as the net amount to which it is entitled to retain in return for its services. The company receives intercompany revenue to compensate for work performed in supporting other territories' contracts in the accounting period in which the services are rendered.

The company incurs a significant amount of costs fulfilling promises on contracts that are reimbursed by our customers. Those costs are pass-through expenses which represent "out of pocket expenses" such as payments to investigators and travel expenses for the company's clinical monitors and sales representatives. The company has concluded that it is the principal in regard to these reimbursed expenses and will record them as part of revenue on a gross basis. The transaction price is based on the amount to which the entity expects to be entitled for providing the services. The transaction price includes both fixed amounts and variable amounts. The company's forms of variable consideration included in contracts generally consist of KPI bonuses and contract penalties. An estimate of variable consideration is included in the transaction price to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. In assessing whether it is probable that a significant reversal in revenue will occur, the company considers both the likelihood and the magnitude of the revenue reversal. The amount of variable consideration is estimated by using either the expected value method or the most likely amount method, depending on the suitability of the method for each type of variable consideration. Revenue relating to the services is recognised over time and progress is measured using the input method.

Long term contracts for Integrated health services revenue are recognised according to fee for service for the vast majority of revenue. This is booked on actual days delivered or as a fixed fee and only when there is commitment from a contract. The balance of revenue is booked when key performance indicators, agreed between IQVIA Ltd. and the customer have been fully achieved and we have received mutual written agreement. Actual costs are recognised as they occur.

Technology and analytics services

Revenue represents the invoiced value of projects completed and services supplied to customers during the year excluding value added tax. When operating as a principal in a revenue arrangement, the company recognises revenue as the gross amount to which it expects to be entitled. When acting as an agent, the company recognises revenue as the net amount to which it is entitled to retain in return for its services. The company recognises revenue as earned, which is over the service period as the information is delivered or related services are performed. Advance payments for services and subscriptions are deferred as contract liabilities and reflected in revenue over the subscription term, which is generally one year. Revenue from customised solutions is recognised on an 'efforts-based' basis. 'Efforts-based' revenue recognition is based on the ratio of the number of hours or costs incurred for services provided during the year compared to the total estimated hours or costs to be incurred over the entire arrangement. The company receives intercompany revenue to compensate for work performed in supporting other territories' contracts in the accounting period in which the services are rendered.

The transaction price is allocated to each performance obligation at contract inception based on the standalone selling prices. Where goods or services are not sold separately transaction price is allocated based on established using price lists. Discounts are allocated to all of the performance obligations proportionally.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Leases

Definition

At inception of a contract, the company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- The contract involved the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified
- The company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The company has the right to direct the use of the asset. The company has this right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used.

On lease commencement date, the company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Lease payments in an option renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the company changes its assessment of whether it will exercise an extension or termination option.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the profit and loss account.

Sub leases

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the year in which the dividends are approved by the company's shareholders.

Business combinations under common control (Group reconstructions)

Business combinations under common control are out of scope of IFRS 3. The company has adopted an accounting policy to apply merger accounting principles for group reconstructions using the predecessor method. Differences between the net book value of assets acquired and their purchase price are taken to the other reserves in equity.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

In preparing the financial statements, management has to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgements, estimates and assumptions, and therefore could have a material effect on the carrying amount of the asset or liability involved. The timing of outflow of resources to settle the provisions is subject to the same uncertain factors. Judgements, estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations about future events, which are believed to be reasonable under the circumstances and for the item involved. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Accounting estimates

The company considers the following accounting estimates and assumptions as critical:

Revenue recognition for service contracts

The company makes an estimate of the stage of contract completion, including estimating the costs still to be incurred and assessing the likely engagement outcome. The majority of clinical services and integrated health services revenue comprise long term contracts which can extend up to 10 years. On a monthly basis the company recognises revenue for each project using the input method, comprising labour and passthrough cost actuals as a proportion of total estimated project costs, known as Estimate at Completion (EAC). The sensitivity in this estimate lies around the estimated total costs spread across multiple individual contracts which could fluctuate over time given the quantity and length of the contracts.

Allocation of revenue on contracts with multiple performance obligations

For arrangements that include multiple performance obligations, the transaction price is allocated to the identified performance obligations based on their relative standalone selling prices. For these contracts, the standalone selling prices are based on the company's normal pricing practices when sold separately with consideration of market conditions and other factors, including customers' demographic and geographic location. The total amount for which the allocation of revenue is required is £234m.

Transfer pricing

The company receives regional benchmarking analysis results from external advisors which is used as the basis for the arm's length return to be applied to all transactions; the benchmarking analysis is a search of comparable transactions in each of the jurisdictions, utilizing independent data. While the data used is independent, judgement is used in selecting the appropriate benchmark for a transaction. Applying the other end of the range used for benchmarks to the largest types of transactions, would result in an impact of approximately £500 million to the Profit and Loss Account.

Impairment of investments in subsidiaries

Impairment reviews of investment in subsidiaries are undertaken if there is an impairment trigger in accordance with IAS 36. When an impairment review is required, discounted future cash flow forecasts are carried-out, which requires estimation for significant assumptions such as revenue growth, profit margins and discount rates. As disclosed in note 18, the company impaired its investment in IQVIA Finance UK V Ltd. by £323,711,000 and IQVIA Technology Services Limited by £28,777,000. The company also impaired its investments in GCE Clin Solutions Limited by £1,000,000, GCE Solutions International LLC by £100,000, Quality Health Limited by £2,642,000, IQVIA RDS Magyarország Kft. by £2,646,000, IQVIA RDS UAB by £132,000, IQVIA RDS Latvia SIA by £665,000 and Clintec Luxembourg S.A. by £42,000,000. The carrying values of the investments in subsidiaries is disclosed in note 18. The largest investment held is IQVIA RDS East Asia Pte. Ltd.. This investment discount rate would be required to increase by 44% (from 9.4% to 13.5%) before an impairment would be indicated.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Judgements

The following judgements are considered to be significant: "Principal versus agent in providing services" and "Identification of impairment triggers."

Principal versus agent in providing services

The company concludes that it is a principal in providing all clinical research and integrated health services, as it controls the specified good or service before that good or service is transferred to the customer. In addition, the company assesses the following indicators in concluding that it is a principal on these arrangements:

- The company is primarily responsible for fulfilling the promise to provide the specified good or service. The company is responsible for fulfilling all aspects of the arrangement, including engagement with any required third parties (which result in pass-through expenses that are later reimbursed by customers).
- The company bears the risk of not having pass-through expenses being reimbursed by the customers.
- The company directly negotiates the pass-through expenses with third parties which are part of the contract price, hence having an influence on the price

Where the company has contracted sales which are conducted and managed by other group entities, and there is no fee or commission due to the company, the company has determined that it is acting as an agent and does not account for the revenue.

Identification of impairment triggers

IAS 36 requires judgement to assess whether there has been a trigger, in particular, adverse business move.

Management consider that an impairment trigger would be a significant change in the business; a significant change in profitability or a change in the Biopharmaceutical market place that would lead to a more uncertain or reduced business.

4 Financial instruments

The company has the following financial assets and liabilities measured at fair value:

Cash flow hedges

	2022 £ 000	2021 £ 000
Forward foreign exchange contracts - assets	1,558	-
Forward foreign exchange contracts - liabilities	<u>(1,938)</u>	<u>(2,102)</u>
	<u>(380)</u>	<u>(2,102)</u>

For 2022 there was no ineffective portion arising from cash flow hedges (2021: none).

Gains and losses relating to the effective portion of the hedge are recognized in reserves in other comprehensive income. Subsequently these amounts are recognized in the statement of comprehensive income in the year or years during which the hedged forecast transaction affects the statement of comprehensive income.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Turnover

The revenue of the company is wholly attributable to the company's principal activity arising in the UK. See Note 2.

	2022	2021
	£ 000	£ 000
Clinical	1,605,016	1,377,680
Integrated health services	64,481	50,499
Technology analytics services	822,403	710,937
	<u>2,491,900</u>	<u>2,139,116</u>
	2022	2021
	£ 000	£ 000
Geographical information		
Europe	1,438,573	1,255,459
USA	911,692	778,100
Asia Pacific	141,635	105,557
	<u>2,491,900</u>	<u>2,139,116</u>

Current assets and liabilities

	2022	2021
	£ 000	£ 000
Contract assets	263,434	189,203
Contract liabilities	(333,932)	(310,007)
Net unbilled contract liabilities	<u>(70,498)</u>	<u>(120,804)</u>

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenue recognised in the period from:

	2022	2021
	£ 000	£ 000
Amounts included in contract liability at the beginning of the period	<u>274,550</u>	<u>168,067</u>

Revenue recorded in the year includes an element relating to performance obligations completed or partially completed in the previous year due to cumulative catch-up adjustments as a result of changes in transaction price. These amounts are not material.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Operating profit

	2022	2021
	£ 000	£ 000
Reorganisation expense	1,152	915
Gain on disposal of property, plant and equipment and motor vehicles	(104)	(658)
Reversal of trade receivables and contract assets	(735)	(561)
Impairment of investments	-	32,275
Franchise fee – payable to other group undertakings	42,656	25,759
Research and development expenditure	90,700	79,246
Depreciation	4,304	4,393
Depreciation charge for right of use assets - leasehold properties	2,374	2,876
Amortisation	4,945	3,953
Foreign exchange losses	<u>19,501</u>	<u>9,900</u>

7 Staff costs

	2022	2021
	£ 000	£ 000
Wages and salaries	265,710	233,102
Research and development tax credit	(11,791)	(10,302)
Social security costs	35,769	30,531
Other pension costs	17,539	17,233
Share-based payments	<u>20,769</u>	<u>16,282</u>
	<u>327,996</u>	<u>286,846</u>

Included within the overall staff cost of £328.00 million (2021: £286.85 million) is a credit of £11.79 million (2021: £10.30 million) related to the research and development tax credit.

The monthly average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Office and administration	515	552
Laboratory and research	1,559	1,420
Data production	<u>1,315</u>	<u>1,189</u>
	<u>3,389</u>	<u>3,161</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£ 000	£ 000
Aggregate emoluments	3,509	2,577
Company contributions paid to defined contribution scheme	34	34
	<u>3,543</u>	<u>2,611</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Exercised share options	3	3
Accruing benefits under defined benefit pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2022	2021
	£ 000	£ 000
Remuneration	273	257
Benefits under long-term incentive schemes (excluding shares)	1,349	933
Company contributions to money purchase pension schemes	4	4
	<u>1,626</u>	<u>1,194</u>

During the year the highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme.

The highest paid director is not a member of company's defined benefit pension scheme. At the year end, the accrued pension for the highest paid director amounts to £nil (2021: £nil).

9 Auditors' remuneration

	2022	2021
	£ 000	£ 000
Fees payable to the company's auditors and their associates for audit of the company	<u>623</u>	<u>638</u>
Other fees to auditors		
Audit related assurance services	<u>461</u>	<u>229</u>

The audit related assurance services were paid by IQVIA Holdings Inc..

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Interest receivable and similar income

	2022	2021
	£ 000	£ 000
Interest income on bank deposits	1,172	34
Interest income from group undertakings	23,479	12,649
	24,651	12,683

11 Interest payable and similar expenses

	2022	2021
	£ 000	£ 000
Interest on bank overdrafts and borrowings	1,432	50
Interest expense from group undertakings	20,956	15,183
Foreign exchange loss	43,663	1,644
Interest expense on right of use assets - Leased property	551	613
	66,602	17,490

12 Tax on profit

Tax charged in the profit and loss account

	2022	2021
	£ 000	£ 000
Current taxation		
UK Corporation tax on profit for the year	33,164	20,712
Adjustment in respect of prior periods	4,380	(443)
	37,544	20,269
Deferred taxation		
Origination and reversal of timing differences	(935)	(1,885)
Impact on change in tax rate	-	31
Adjustment in respect of prior periods	104	2,192
Total deferred taxation	(831)	338
Tax expense in the profit and loss account	36,713	20,607

	2022	2021
	£ 000	£ 000
Tax expense included in other comprehensive income		
Deferred tax:		
Origination and reversal of timing differences	3,641	6,275
Total tax expense included in other comprehensive income	3,641	6,275

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Tax on profit (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 : lower than) of 19% (2021 : 19%).

The differences are reconciled below:

	2022	2021
	£ 000	£ 000
Profit before tax	<u>399,377</u>	<u>205,506</u>
Corporation tax at standard rate	75,882	39,046
Increase in current tax from adjustment for prior periods	4,485	1,749
Increase from effect of revenues exempt from taxation	(112,309)	(9,199)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	79,619	8,428
Decrease from effect of exercise employee share options	(496)	(1,851)
Decrease arising from group relief tax reconciliation	(22,422)	(21,103)
Deferred tax credit relating to changes in tax rates or laws	-	(31)
Other tax effects for reconciliation between accounting profit and tax expense	<u>11,954</u>	<u>3,568</u>
Total tax charge	<u>36,713</u>	<u>20,607</u>

Periodically the company is subject to inquiries from tax authorities. Currently there is an ongoing discussion in relation to the period from 2017 to 2021. We firmly consider all claims made to be valid and fully supportable and accordingly no adjustment has been made, where necessary the company would record the outcome of any discussion in the period to which such resolution occurs.

Factors that may affect future tax charges

In the Spring Budget 2021 the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% from the current 19%. This new law passed Royal Assent on 10 June 2021. As the proposal to increase the rate to 25% had been substantively enacted at the balance sheet date, its effects are included in these financial statements.

Deferred tax

Deferred tax consists of the following deferred tax assets/(liabilities):

	2022	2021
	£ 000	£ 000
Deferred tax assets due within 12 months	2,019	1,334
	2022	2021
	£ 000	£ 000
Deferred tax assets due after more than 12 months	7,811	11,042
Deferred tax liabilities due after more than 12 months	<u>(10,121)</u>	<u>(6,626)</u>
Total (liabilities)/assets	<u>(2,310)</u>	<u>4,416</u>
	2022	2021
	£ 000	£ 000
Total deferred tax (liabilities)/assets	<u>(291)</u>	<u>5,750</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Tax on profit (continued)

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
2022			
Accelerated tax depreciation	-	(1,223)	(1,223)
Derivatives	95	-	95
Other items	10,092	(9,255)	837
	<u>10,187</u>	<u>(10,478)</u>	<u>(291)</u>
			Net deferred
	Asset	Liability	tax
	£ 000	£ 000	£ 000
2021			
Accelerated tax depreciation	-	(939)	(939)
Derivatives	-	525	525
Other items	12,376	(6,212)	6,164
	<u>12,376</u>	<u>(6,626)</u>	<u>5,750</u>

Deferred tax movement during the year:

	At 1 January 2022 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	Recognised in equity £ 000	At 31 December 2022 £ 000
Accelerated tax depreciation	(939)	(284)	-	-	(1,223)
Derivatives	525	-	(430)	-	95
Other items	6,164	1,115	(3,211)	(3,231)	837
	<u>5,750</u>	<u>831</u>	<u>(3,641)</u>	<u>(3,231)</u>	<u>(291)</u>

13 Income from shares in group undertakings

During the year, the company received dividend income of £591.10 million (2021: £48.42 million) from subsidiary undertakings.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Intangible assets

	Software development costs £ 000	Total £ 000
Cost or valuation		
At 1 January 2022	24,685	24,685
Additions	<u>7,481</u>	<u>7,481</u>
At 31 December 2022	<u>32,166</u>	<u>32,166</u>
Accumulated amortisation		
At 1 January 2022	8,712	8,712
Charge for year	<u>4,945</u>	<u>4,945</u>
At 31 December 2022	<u>13,657</u>	<u>13,657</u>
Carrying amount		
At 31 December 2022	<u>18,509</u>	<u>18,509</u>
At 31 December 2021	<u>15,973</u>	<u>15,973</u>

Software intangible asset amortisation is recorded in administrative expenses in the statement of comprehensive income.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Tangible assets

	Leasehold improvements £ 000	Plant, machinery and equipment £ 000	Fixtures and fittings £ 000	Motor vehicles £ 000	Data processing equipment £ 000	Total £ 000
Cost or valuation						
At 1 January 2022	8,170	10,127	1,425	195	9,920	29,837
Additions	139	92	51	-	2,293	2,575
Disposals	-	-	-	(195)	-	(195)
At 31 December 2022	<u>8,309</u>	<u>10,219</u>	<u>1,476</u>	<u>-</u>	<u>12,213</u>	<u>32,217</u>
Accumulated depreciation						
At 1 January 2022	2,311	7,797	733	195	3,665	14,701
Charge for the year	928	910	177	-	2,289	4,304
Eliminated on disposal	-	-	-	(195)	-	(195)
At 31 December 2022	<u>3,239</u>	<u>8,707</u>	<u>910</u>	<u>-</u>	<u>5,954</u>	<u>18,810</u>
Carrying amount						
At 31 December 2022	<u>5,070</u>	<u>1,512</u>	<u>566</u>	<u>-</u>	<u>6,259</u>	<u>13,407</u>
At 31 December 2021	<u>5,859</u>	<u>2,330</u>	<u>692</u>	<u>-</u>	<u>6,255</u>	<u>15,136</u>

During the year the company sold motor vehicles with book value of £nil (2021: £48,228) for £104,259 (2021: £702,446).

16 Right of use assets

	Property £ 000	Total £ 000
Cost or valuation		
At 1 January 2022	19,505	19,505
Disposals	(764)	(764)
At 31 December 2022	<u>18,741</u>	<u>18,741</u>
Accumulated depreciation		
At 1 January 2022	4,494	4,494
Charge for the year	2,374	2,374
Eliminated on disposal	(425)	(425)
At 31 December 2022	<u>6,443</u>	<u>6,443</u>
Carrying amount		
At 31 December 2022	<u>12,298</u>	<u>12,298</u>
At 31 December 2021	<u>15,011</u>	<u>15,011</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16 Right of use assets (continued)

The total cash outflow for the leases was £2,359,000 (2021: £3,693,000).

17 Leases

Leases included in creditors

	2022 £ 000	2021 £ 000
Current portion of long term lease liabilities	2,355	1,877
Long term lease liabilities	13,807	16,430
	16,162	18,307

The company leases buildings for periods of between 2 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms. In determining the lease term, extension options (or periods after termination options) are included where it is reasonably certain that the lease will be extended (or not terminated). This is the case for property leases where leasehold improvements are expected to have significant remaining value.

18 Investments

	2022 £ 000	2021 £ 000
Subsidiaries		
Cost or valuation		
At 1 January	4,358,392	1,149,156
Additions	131,565	3,250,016
Impairment	(401,671)	(32,275)
Reduction in purchase price of the investment	-	(8,505)
At 31 December	4,088,286	4,358,392

On 18 February 2022 the company acquired the entire issued share capital of Prioritis SAS and 50% of the issued share capital of Prioritis Limited for €27.4 million (£22.90 million).

On 1 August 2022, the company acquired the entire issued share capital of Pharmaspectra Topco Ltd and of its subsidiaries Pharmaspectra Midco 1 Ltd, Pharmaspectra Midco 2 Ltd, Pharmaspectra Dollarco Ltd, Pharmaspectra Group Ltd, Pharmaspectra US LLC and Pharmaspectra Informatics Private Limited for \$36.7 million (£31.85 million).

On 3 October 2022, the company acquired the entire issued share capital of LH Perspectives Limited for £41.2 million.

On 15 December 2022, the company acquired the entire issued share capital of IQVIA Technology Services Limited from its immediate parent company IQVIA Solutions Finance UK I LTD for £3. In addition the company also acquired the 100,000 additional shares in IQVIA Technology Services Limited for £35.58m by converting the intercompany loan receivable from IQVIA Technology Services Limited.

On 9 December 2022, the company acquired the 990 shares of ClinTec International Offshore SAL for £0.03m.

During the year, the company impaired its investments in: IQVIA Solutions Finance UK V Ltd. by £323.71m; IQVIA Technology Services Limited by £28.78m; GCE Clin Solutions Limited by £1.00 million; GCE Solutions International LLC by £0.10 million; Quality Health Limited by £2.64 million; IQVIA RDS Magyarország Kft. by £2.65 million; IQVIA RDS UAB by £0.13 million, IQVIA RDS Latvia SIA by £0.67 million and Clintec Luxembourg S.A by £42 million.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Details of the investments as at 31 December 2022 are as follows:

* indicates direct investment of the company

Name of investment	Principal activity	Registered office	Holding	Percentage ownership
IQVIA RDS and Integrated Services *	Sales & marketing	Medialaan 32, bus 2, Vilvoorde, 1800 Belgium	Ordinary	1.8%
IQVIA RDS Egypt LLC	Clinical Research	Building 67, 6th Floor, Street 90, 5th settlement, 11835, Cairo Egypt	Ordinary	1%
Oxford Cancer Biomarkers Limited*	Oncology diagnostics consulting	cancer & C/O Douglas McDonald Ca, 2 Octavia Buildings, Kilmacolm, PA13 4AE United Kingdom	Ordinary	6.3%

Details of the subsidiaries as at 31 December 2022 are as follows:

* indicates direct investment of the company

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
Q Squared Solutions Holdings Limited*	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	60%
Clintec Luxembourg S.A.*	Holding company	7, rue de Bitbourg, L-1273 Luxembourg	Ordinary	100%
Clinical Lab Minority Shareholder Limited	Lab	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Q Squared Solutions (India) Private Limited	Dormant	Leela Business Park, Unit No 301, 2nd Floor (Third Level) M.V.Road, Andheri (East), Mumbai-400059 India	Ordinary	100%
IQVIA RDS Austria GmbH*	Clinical Research	Stella-Klein-Löw-Weg 15, Rund 4, Haus B, OG 5, 1020 Vienna Austria	Ordinary	100%
IQVIA RDS Pty. Limited*	Clinical Research	Level 9, 67 Albert Avenue, Chatswood NSW 2067 Australia	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
IQVIA Investment Holdings Limited*	Clinical professional services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IQVIA RDS Finland Oy*	Clinical Research	Metsänneidonkuja 6,02130 Espoo Finland	Ordinary	100%
IQVIA RDS Magyarország Kft.*	Clinical Research	1117 Budapest, Budafoki út 91-93 Hungary	Ordinary	100%
IQVIA RDS Ireland (Finance) Ltd.*	Holding company	Estuary House, Block P7, East Point Business Park, Alfie Byrne Road, Dublin 3 Ireland	Ordinary	100%
IQVIA RDS Latvia SIA*	Clinical Research	Gunaras Astras iela 8b, Riga, LV-1082 Latvia	Ordinary	100%
IQVIA RDS UAB*	Clinical Research	Savanoriu str. 349, Kaunas Lithuania	Ordinary	100%
Linguamatics Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
DrugDev Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
GCE Solutions International, LLC*	Recruitment and FSP delivery	4023, Kennett Pike, Suite # 848, Wilmington, Delaware, 19807-2018 USA	Ordinary	100%
IQVIA Solutions Finance UK V Ltd.*	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IQVIA Biotech Ltd.*	Clinical research	3 Forbury Place, 23 Forbury Road, Reading, Berkshire, RG1 3JH United Kingdom	Ordinary	100%
Interface Clinical Services Limited*	Clinical Research	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
QH Research Ltd*	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
GCE Clin Solutions Limited*	Recruitment and FSP delivery	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Redsite Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Linguamatics Solutions Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IQVIA RDS East Asia Pte. Ltd.*	Clinical Research	79 Anson Road, #19-01, Singapore 079906 Singapore	Ordinary	100%
IMS (UK) Pension Plan Trustee Company Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, United Kingdom, RG1 3JH United Kingdom	Ordinary	100%
IQVIA Solutions Denmark*	Regulatory intelligence and compliance	Blegdamsvej 104C 2100, København Ø, Hovedstaden Denmark	Ordinary	100%
IQVIA Cancer Research*	Clinical Research	Besloten vennootschap te Corporate Village, Davos Building, Da Vincilaan 7, 1930 Zaventem Belgium	Ordinary	100%
Q Squared Solutions S.A.	Lab	Teniente General Juan Domingo Peron 555 – Floor 5th – Buenos Aires City Argentina	Ordinary	100%
Q Squared Solutions Holding B.V.	Dormant	Siriusdreef 10, 2132WT Hoofddorp Netherlands	Ordinary	100%
Q Squared Solutions B.V.	Dormant	Siriusdreef 10, 2132WT Hoofddorp Netherlands	Ordinary	100%
Q Squared Solutions Pte. Ltd.	Lab	1 Marina Boulevard, #28-00 One Marina Boulevard, 018989 Singapore	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
Q Squared Solutions Limited	Lab	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Q Squared Solutions (Quest) Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Q Squared Solutions Proprietary Limited	Lab	1011 Pretorius Avenue South, Lyttelton, 1057 South Africa	Ordinary	100%
Q Squared Solutions China Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	90%
Q Squared Solutions (Beijing) Co. Limited	Lab	Unit 901-919, Office Tower 3, Sun Dong An Plaza, 138 Wangfujin Avenue, Dongcheng Dist, Beijing 100176 China	Ordinary	90%
Q Squared Solutions KK	Lab	4-1-18 Takanawa, Minato-ku, Tokyo Japan	Ordinary	100%
Q Squared Solutions China (Quest) Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Clininca Insourcing Solutions Ltd	Clinical Research	Estuary House, Block P7, East Point Business Park, Alfie Byrne Road, Dublin 3 Ireland	Ordinary	100%
ClinTec International Pty Ltd	Clinical Research	Level 8, 201 Pacific Highway, St Leonards NSW 2065 Australia	Ordinary	100%
ClinTec Austria GmbH	Clinical Research	Stella-Klein-Low-Weg 15, Rund 4, Haus B, 4th Floor, 1020 Vienna Austria	Ordinary	100%
ClinTec International Services Inc	Clinical Research	16720 Transcanada, Kirkland, Quebec, H9H 5M3 Canada	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
ClinTec Gesellschaft für Klinische Entwicklung GmbH	Clinical Research	Landshutter Allee 10, 80637, Munich Germany	Ordinary	100%
ClinTec International Hong Kong Ltd.	Clinical Research	Unit 2212-2219, Metroplaza Tower 1, 223 Hing Fong Road, Kwai Fong, New Territories Hong Kong	Ordinary	100%
ClinTec International Hungary Kft.	Clinical Research	Budafoki út 91-93., 1117 Budapest Hungary	Ordinary	100%
ClinTec Ireland International Research Ltd.	Clinical Research	Estuary House, Block P7, East Point Business Park, Alfie Byrne Road, Dublin 3 Ireland	Ordinary	100%
ClinTec International Pharmaceutical Services Ltd.	Clinical Research	Textile House, Kaufmann Street 2, Tel Aviv 6801294 Israel	Ordinary	100%
ClinTec International Italy S.r.l	Clinical Research	Via Properzio, 5, 00193 Rome Italy	Ordinary	100%
ClinTec International Ltd.	Clinical Research	Landmark Plaza, Argwings Kodhek Road, Nairobi Kenya	Ordinary	100%
ClinTec International Off-Shore S.A.L	Clinical Research	Ashrafieh, 738 Sioufi Street, Beirut Lebanon	Ordinary	0.05%
ClinTec International (PTY) Ltd	Clinical Research	The Campus, Twickenham Building, Ground Floor, Corner Sloane and Main Road, Bryanston 2021 South Africa	Ordinary	100%
ClinTec International (PTY) Ltd -Malawi branch	Clinical Research	119 Hertzog Boulevard Foreshore, Cape Town 8001 South Africa	Ordinary	100%
ClinTec International AG	Clinical Research	Dorfplatz 4, 6330 Cham Switzerland	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
ClinTec Turkey Medikal ve Farmasotik Hizmetler Ticaret Limited Sirketi	Clinical Research	Göztepe Nidakule, Merdivenköy Mah. Bora Sok. Nida Kule İş Mrk. No:1 Kat:7 34732 Kadıköy, Istanbul Turkey	Ordinary	100%
ClinTec International LLC	Clinical Research	12 Mykoly Amosova Str., Kiev 03680 Ukraine	Ordinary	100%
ClinTec International FZ-LLC	Clinical Research	7th Floor Dubai Health Care City, PO Box 505 117 Dubai United Arab Emirates	Ordinary	100%
ClinTec International Ltd.	Clinical Research	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
ClinTec International Bulgaria OOD	Clinical Research	The City of Sofia 1303, Stolichna Municipality, Vazrajdana Region, 103 Aleksandar Stamboliyski Blvd, Business Building Sofia Tower, fl 7 Bulgaria	Ordinary	55%
ClinTec International s.r.o.	Clinical Research	Pernerova 691/42, Karlín, 186 00 Praha 8 Czech Republic	Ordinary	100%
ClinTec International SARL	Clinical Research	Tour D2, 17 bis place des Reflets, TSA 64567, 92099 La Défense CEDEX France	Ordinary	100%
ClinTec International Norway AS	Clinical Research	Tollbugata 8B, 0152 Oslo Norway	Ordinary	100%
ClinTec International SP. Z.O.O.	Clinical Research	Warsaw Financial Center, Emilii Plater 53, 00-113 Poland	Ordinary	100%
ClinTec International Romania S.R.L.	Clinical Research	No. 1B Menuetului Street, Floor 3, Office No. 19, District 1, Bucharest Romania	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
ClinTec International Russia LLC	Clinical Research	Regus Business Centre Citydel LLC, Zemlyanoy Val, 9, 105064 Moscow Russian Federation	Ordinary	100%
ClinTec International doo	Clinical Research	2 Rudnička Street, Belgrade Republic of Serbia	Ordinary	100%
ClinTec International S.L.	Clinical Research	Paseo de la Castellana, 141 Planta 19, 28046 Madrid Spain	Ordinary	100%
ClinTec International Ltd.,UK, Filial Sverige	Clinical Research	Pyramidvagen 7, SE-169 56 Solna Sweden	Ordinary	100%
ClinTec International Inc.	Clinical Research	155 Federal Street, Suite 700, Boston, Massachusetts 02110, Delaware USA	Ordinary	100%
IQVIA RDS GmbH	Clinical Research	Unterschewinstiege 2 – 14 60549 Frankfurt am Main Germany	Ordinary	100%
IQVIA Clinical AB	Clinical Research	Strandbodgatan 1, P.O. Box 1543, S-751,Uppsala Sweden	Ordinary	100%
IQVIA Clinical, Filial AF IQVIA Clinical AB Denmark	Clinical research	Blegdamsvej 104C, DK-2100 Copenhagen Denmark	Ordinary	100%
IQVIA RDS Norway	Clinical Research	c/o Advokatfirmaet CLP DA, Ruselekkveien 14,0251 Oslo Norway	Ordinary	100%
IQVIA RDS Italy SRL	Clinical Research	Via Roma 108, 20060 Cassina de'Pecchi (MI), Palazzo Taurus, Viale Colleoni 3,Milan, 20041 Italy	Ordinary	100%
IQVIA RDS Netherlands	Clinical Research	Siriusdreef 10, 2132 WT Hoofddorp, Netherlands	Ordinary	100%
CT Cue B.V.	Technology services	Science Park 406,1098 XH Amsterdam Netherlands	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
Octopus Health Ltd.	Technology services	Rehov Habarzal 38, 6971054 Tel Aviv-Yafo Israel	Preferred A Shares	44%
IQVIA Integrated Services NL (Branch)	Clinical research	Siriusdreef 10. 2132 WT Hoofddorp The Netherlands	Ordinary	1.8%
IQVIA MedTech NV	Service Provider	Justitiestraat 6B,2018 Antwerpen Belgium	Ordinary	1.8%
GCE Global Solutions, LLC	Recruitment and FSP delivery	4023, Kennett Pike, Suite # 848, Wilmington, Delaware, 19807-2018 USA	Ordinary	100%
GCE Solutions, S. de R.L. de C.V.	Recruitment and FSP delivery	Oxford No. 30, Colonia Juarez, Delegacion Cuauhtemoc, C.P. 06600, Distrito Federal Mexico	Ordinary	100%
Pharmadeals Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Source Informatics Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Dataline Software Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IMS Information Solutions Medical Research Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Hospital Marketing Services Ltd.*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IMS Technology Solutions UK Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Infopharm Ltd.*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
IQVIA Solutions UK Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IQVIA World Publications Ltd.*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Themis Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Cambridge Pharma Consultancy Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IMS Health Surveys Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IMS Health Networks Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IMS Hospital Group Limited*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Quality Health Limited	Technology Services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
IQVIA RDS Ireland Ltd.	Clinical Research	Estuary House East Point Business Park, Fairview, Dublin 3 Ireland	Ordinary	100%
IQVIA RDS Poland Sp. Zoo	Clinical Research	ul. Domaniewska 48,02-672 Warszawa Poland	Ordinary	100%
IQVIA RDS GesmbH	Clinical Research	Stella-Klein-Löw-Weg 15,Rund 4, Haus B, OG4,1020 Vienna Austria	Ordinary	100%
IQVIA RDS Slovakia s.r.o.	Clinical Research	Vajnorska 100/B, 831 04 Bratislava Slovakia	Ordinary	99.93%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
IQVIA Zagreb d.o.o.	Clinical Research	Radnicka cesta 80, 17th floor, 10000 Zagreb Croatia	Ordinary	100%
IQVIA RDS Ukraine	Clinical research	12 Mykoly Amosova Str., Kiev 03680 Ukraine	Ordinary	100%
IQVIA Romania S.R.L.	Clinical research	Sos. Bucuresti Nord, Nr.10, Cladirea O21, Et.9, Voluntari, Ilfov Romania	Ordinary	100%
IQVIA RDS Bulgaria EOOD	Clinical research	103 Al. Stamboliyski blvd. Sofia Tower, 7th floor, 1303, Sofia Bulgaria	Ordinary	100%
IQVIA RDS Czech Republic, s.r.o.	Clinical research	Radlicka 714/113a, 158 00 Praha 5 Czech Republic	Ordinary	99.97%
IQVIA RDS Pty. Limited	Clinical Research	2a Rothwell Avenue, Rosedale, Auckland, 0632 New Zealand	Ordinary	100%
IQVIA RDS HELLAS Single Member Societe Anonyme	Research and Experimental Development Services	284 Kifissias Ave 15232 Halandri Greece	Ordinary	100%
Quintiles Lanka Private Limited	Clinical research	World Trade Center Level 26 - East Tower, Echelon Square, Colombo 01 Sri Lanka	Ordinary	100%
IQVIA Medical Development (Dalian) Co., Ltd.	Clinical Research	10-02/04, 10F, 1 Hui Xian Yuan, Dalian High-Tech Industrial Zone, Dalian 116025 China	Ordinary	100%
IQVIA RDS (Shanghai) Co. Ltd	Clinical Research	6F, Building 1 Cystal Plaza, No 1359 YaoLong RD, Pudong district, Shanghai 200032 China	Ordinary	100%
AVACARE Clinical Research Network (Shanghai) Co., Ltd	Clinical Research	5F, Building 1 Cystal Plaza, No 1359 YaoLong RD, Pudong district, Shanghai 200032 China	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
ClinTec International Pte Ltd	Clinical Research	79 Anson Road, 19-01, Singapore 079906 Singapore	Ordinary	100%
ClinTec International (Thailand) Limited	Clinical Research	23rd Floor, Room No. 1 – 5, Silom Complex Building, 191, Silom Road, Kwaeng Silom, Khet Bangrak, Bangkok 10500 Thailand	Ordinary	49%
CT Consulting Inc.	Consulting	18/F, Philamlife Tower, 8767 Paseo de Roxas, Makati City Metro, Manila, 1226. Philippines	Ordinary	99.99%
IQVIA Korea Co. Ltd.	Clinical Research	13F WorldTower Bldg. 558 Songpa-daero, Songpa-gu, Seoul, 138-731 Korea	Ordinary	100%
IQVIA RDS Hong Kong Limited	Clinical Research	Level 22, Metroplaza Tower 1, 223 Hing Fong Road, Kwai Fong, N.T Hong Kong	Ordinary	100%
IQVIA RDS Malaysia Sdn. Bhd.	Clinical Research	301 Level 3, Uptown 1, 1 Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Malaysia	Ordinary	100%
IQVIA RDS Taiwan Ltd.	Clinical Research	7th Floor, No. 138, Section 3, Minsheng East Road, Songshan District, Taipei City 10596 Taiwan	Ordinary	100%
Belongtail	Technology services	50, Moshav BNEI ATAROT, 6099100 Israel	Series B Preferred	17.54%
IQVIA RDS France SAS	Clinical Research	151-161 Blvd Victor Hugo Saint-Ouen, 93400 France	Ordinary	100%
ClinTec International Off-Shore S.A.L*	Clinical Research	Ashrafieh, 738 Sioufi Street, Beirut Lebanon	Ordinary	99%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
IMS Information Solutions UK Ltd.*	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Q Squared Solutions Holdings Limited	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	40%
Kun Tai Medical Development Hong Kong Limited	Clinical Research	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay Hong Kong	Ordinary	100%
Kun Tuo Medical Research & Development (Beijing) Co. Ltd.	Clinical Research	Room 1102-1109, Building 1, NO.18 Guang Qu Road Chaoyang Dist., Beijing 100006 China	Ordinary	100%
Pharmaspectra Topco Ltd*	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Prioritis SAS*	Technology services	12 av Victor Hugo, 75116 Paris France	Ordinary	100%
LH Perspectives Limited*	Technology services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Pharmaspectra Midco 1 Ltd	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Pharmaspectra Midco 2 Ltd	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Pharmaspectra Dollarco Ltd	Holding company	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Pharmaspectra Group Ltd.	Technology services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Pharmaspectra US LLC	Technology services	210 Main Street Madison, NJ 07940 USA	Ordinary	100%

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Percentage ownership
Prioritis Limited*	Technology services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	50%
Prioritis Limited	Technology services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	50%
Silverbullet A/S	Technology services	Søren Frichs Vej 42F, 1. Tv Åbyhøj 8230 Denmark	Ordinary	100%
IQVIA Technology Services Limited*	Technology services	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
EPS Research Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
EPS Software Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Ardentia International Ltd	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Infocus Health Ltd	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Albatross Financial Solutions Ltd	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%
Optimum Contact Limited	Dormant	3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH United Kingdom	Ordinary	100%

The directors consider the net carrying value of the investments are supported by the value of future discounted cash flows and the net carrying value of the remaining investments are supported by their underlying net asset value.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes

Defined contribution pension scheme

The company is a member of the Hargreaves Lansdown (HL) & IMS (UK) Pension Plan. These are defined contribution pension schemes operated for employees in IQVIA Ltd. The assets of the schemes are held separately from the company in independently administered funds. The pension costs charged for the year represent contributions payable by the company to the funds and amounted to £5.3m (Hargreaves Lansdown, 2021: £5.2m) and £12.2m (IMS (UK) Pension Plan, 2021: £9.9m).

Contributions totalling £859,000 (2021: £839,000) were payable to the scheme at the end of the year and are included in creditors.

Defined contribution scheme with a defined benefit underpin

The company is a member of the IMS (UK) Pension Plan which is a hybrid pension plan. As such it is a defined benefit and a defined contribution arrangement. Within the defined contribution section there are a selection of members (who hold pre 2004 benefits) with a defined benefit underpin. This is a pension plan operated for employees in IQVIA Ltd. Under IAS 19, a DC scheme is any scheme in which the company pays fixed contributions and has no legal or constructive obligation to make further contributions. Any scheme which does not meet the definition of a DC scheme is treated as a Defined Benefit scheme. Accordingly, due to the underpin, an element of this scheme must be treated as a DB scheme and the liabilities have been valued by an actuary. The assets of the scheme at 31 December 2022 were £20.3m (2021: £19.7m) and the liabilities £22.5m (2021: £29.7m). The £2.2m net liability for the defined benefit underpin is included within the £27.0m net surplus of the IMS (UK) Pension Plan.

The below disclosures are applicable for the defined benefit underpin as detailed above.

Defined benefit pension schemes

The company operates two defined benefit pension schemes for the benefit of its employees Quintiles Scotland Pension Plan and IMS (UK) Final Salary Pension Plan.

Plan assets held in the funds are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the plans including investment decisions and contribution schedules lies jointly with the company and the board of trustees of the fund. The assets of the Plans are held in a separate trustee administered fund.

Risks

Asset volatility

The plans liabilities are calculated using a discount rate set with reference to corporate bond yields; if plans assets underperform this yield, this will create a deficit. The plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long -term while providing volatility and risk in the short-term.

As the plans mature, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the company believes that due to the long - term nature of the plans liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plans liabilities, although this will be partially offset by an increase in the value of the plans bond holdings.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Life expectancy

The majority of the plans obligations are to provide benefits for the life of the member, so increases in the life expectancy will result in an increase in the plans liabilities.

Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plans assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit, however the pension is in net asset position overall.

Quintiles Scotland Pension Plan

The results of the formal actuarial valuation as at 31 December 2022 were updated to the accounting date by an independent qualified actuary as at the 31 December 2022 in accordance with IAS 19.

The pension costs charged for the year under IAS 19 was of £20,000 (2021: £40,000).

Contributions payable to the pension scheme at the end of the year are £nil (2021: £0.10 m).

The expected contributions to the plan for the next reporting period are £nil.

The scheme was most recently valued on 31 December 2022. A comprehensive actuarial valuation of the company pension scheme, using the projected unit basis, was carried by Lane Clark & Peacock LLP, independent consulting actuaries. Adjustments to the valuation at that date have been made.

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the balance sheet date are as follows:

	2022	2021
	%	%
Discount rate	4.90	1.90
Future salary increases	-	3.00
Future pension increases	2.90	3.00
Inflation	<u>3.30</u>	<u>3.40</u>

Post retirement mortality assumptions

Assumption regarding future mortality is set based on actuarial advice in accordance with published statistics and experience in the UK. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60:

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	27.40	27.40
Current UK pensioners at retirement age - female	30.10	30.00
Future UK pensioners at retirement age - male	28.90	28.00
Future UK pensioners at retirement age - female	<u>31.50</u>	<u>30.70</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2022	2021
	£'m	£'m
Fair value of scheme assets	42.80	64.80
Present value of scheme liabilities	<u>(34.20)</u>	<u>(54.10)</u>
Defined benefit pension scheme surplus	<u>8.60</u>	<u>10.70</u>

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2022	2021
	£'m	£'m
Fair value at start of year	64.80	65.00
Return on plan assets, excluding amounts included in interest income/(expense)	1.20	0.90
Actuarial gains and losses arising from experience adjustments	(21.50)	1.30
Contributions by scheme participants	-	0.10
Assets acquired in business combinations	<u>(1.70)</u>	<u>(2.50)</u>
Fair value at end of year	<u>42.80</u>	<u>64.80</u>

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2022	2021
	£'m	£'m
Present value at start of year	(54.10)	(60.30)
Current service cost	(0.10)	(0.10)
Remeasurement gains	19.30	4.60
Interest cost	(1.00)	(0.80)
Benefits paid	<u>1.70</u>	<u>2.50</u>
Present value at end of year	<u>(34.20)</u>	<u>(54.10)</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2022	2022	2021	2021
	£'m	Allocation	£'m	Allocation
Equity instruments	3.30	7.70%	8.90	13.80%
Bonds	35.70	83.40%	46.80	72.20%
Diversified Growth Funds	3.40	8.00%	8.70	13.40%
Cash & Money Purchase AVC's	<u>0.40</u>	<u>0.90%</u>	<u>0.40</u>	<u>0.60%</u>
	<u>42.80</u>	<u>100.00%</u>	<u>64.80</u>	<u>100.00%</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

All Plan assets have quoted prices in active markets. The Plan does not invest directly in property occupied by the company or in financial securities issued by the company.

Actual return on scheme's assets

	2022 £'m	2021 £'m
Interest income	1.20	0.90
Remeasurements	<u>(21.50)</u>	<u>1.30</u>
	<u>(20.30)</u>	<u>2.20</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	Impact on defined benefit obligation		
	Changes in assumption	Increase/(decrease) in assumption 2022 £'m	Increase/(decrease) in assumption 2021 £'m
	Discount rate	1.0% p.a.	4.10
Price inflation rate	1.0% p.a.	(2.70)	(5.50)
Life expectancy (at 65 years)	1 yr	(1.00)	(2.10)
Equity market	25.00%	<u>0.80</u>	<u>(2.20)</u>

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Amounts recognised in the profit and loss account

	2022	2021
	£'m	£'m
Amounts recognised in operating profit		
Current service cost	0.10	0.10
Amounts recognised in finance income or costs		
Net interest	<u>(0.20)</u>	<u>(0.10)</u>
Total recognised in the profit and loss account	<u><u>(0.10)</u></u>	<u><u>-</u></u>

Amounts taken to the Statement of Comprehensive Income

	2022	2021
	£'m	£'m
Remeasurement	<u>(2.20)</u>	<u>5.90</u>
IMS (UK) Final Salary Pension Plan		

IMS (UK) Final Salary Pension Plan was established as at 4 April 1997. The Pension Plan is contributory and offers both a Final Salary and a Money Purchase Section. The assets of the Pension Plan are held separately from those of the company, being invested in a separate fund administered by the Pension Fund Trustees. Contributions in respect of the Final Salary Section Pension Plan are determined by an independent qualified actuary on the basis of regular actuarial valuations, the most recent valuation of the Pension Plan being as at 05/04/2021. As at 31 December 2022, the group scheme had a surplus of £27.0 million (2021: £17.50 million). Deficit shortfall for prior years of £4.0 million are payable annually from 31 January 2017 to 31 January 2022.

Contributions payable to the pension scheme at the end of the year are £nil (2021: £nil).

The expected contributions to the plan for the next reporting period are £nil.

The weighted average duration of the defined benefit obligation is 12 years (2021: 16.5 years).

The Final Salary Section Pension Plan was closed on 30 June 2011 to all members.

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the balance sheet date are as follows:

	2022	2021
	%	%
Discount rate	4.80	1.85
Future salary increases	2.90	3.10
Future pension increases	3.10	3.20
Inflation	<u>3.30</u>	<u>3.40</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Post retirement mortality assumptions

The mortality assumptions used in the determining the value of the scheme's liabilities by an independent qualified actuary are summarized below.

	2022	2021
	Years	Years
Current UK pensioners at retirement age - male	23.70	23.60
Current UK pensioners at retirement age - female	25.20	25.10
Future UK pensioners at retirement age - male	24.60	24.50
Future UK pensioners at retirement age - female	26.20	26.20

Year-end balance sheet

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2022
	£'m
Market value of Defined Benefit assets including buy-in	171.15
Gross assets in relation to the Defined Benefit underpin	20.30
Fair value of assets at end of year	191.45

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2022
	£'m
Defined Benefit Obligation in relation to the Defined Benefit section	(141.98)
Gross Defined Benefit Obligation in relation to the Defined Benefit underpin	(22.47)
Defined Benefit Obligations at end of year	(164.45)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2022
	£'m
Total Fair value of scheme assets	191.45
Total Defined Benefit Obligation	(164.45)
Defined benefit pension scheme surplus	27.00

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2022	2021
	£'m	£'m
Fair value of scheme assets	191.45	231.90
Present value of scheme liabilities	<u>164.45</u>	<u>(214.40)</u>
Defined benefit pension scheme surplus	<u>355.90</u>	<u>17.50</u>

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2022	2021
	£'m	£'m
Fair value at start of year	231.90	213.12
Gross assets in relation to the DB underpin at start of period	19.69	-
Interest income	4.66	2.78
Remeasurement (losses)/gains	(61.43)	17.95
Employer contributions	5.33	6.29
Benefits paid	<u>(8.70)</u>	<u>(8.24)</u>
Fair value at end of year	<u>191.45</u>	<u>231.90</u>

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2022	2021
	£'m	£'m
Present value at start of year	(214.40)	(227.38)
Gross DBO in relation to the DB underpin at start of year	(19.69)	-
Current service cost	(1.17)	(0.71)
Remeasurement gains	66.37	8.36
Interest cost	(4.26)	(2.91)
Benefits paid	<u>8.70</u>	<u>8.24</u>
Present value at end of year	<u>(164.45)</u>	<u>(214.40)</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2022	2022	2021	2021
	£'m	Allocation	£'m	Allocation
Equity instruments	-	-%	32.33	13.94%
Bonds	49.11	28.70%	40.30	17.38%
Diversified Growth Funds	72.55	42.39%	92.54	39.90%
Cash & Money Purchase AVC's	49.49	28.91%	66.73	28.78%
	<u>171.15</u>	<u>100.00%</u>	<u>231.90</u>	<u>100.00%</u>

All the assets were quoted with the exception of Cash & Money Purchase AVCs.

Actual return on scheme's assets

	2022	2021
	£'m	£'m
Interest income	4.66	2.78
Remeasurements	<u>(61.43)</u>	<u>17.95</u>
	<u>(56.77)</u>	<u>20.73</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

		Impact on defined benefit obligation	
		Changes in	Increase/(decrease)
		assumption	in assumption
		2022	2021
		£'m	£'m
Discount rate	0.25% p.a.	5.11	8.48
Price inflation rate	0.25% p.a.	(3.22)	(6.51)
Life expectancy (at 65 years)	1 yr	(4.86)	(9.45)
Equity market	25.00%	<u>-</u>	<u>(8.08)</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Pension and other schemes (continued)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practise, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Amounts recognised in the profit and loss account

	2022 £'m	2021 £'m
Amounts recognised in operating profit		
Administrative expenses paid	(1.17)	(0.71)
Total recognised in the profit and loss account	<u>(1.17)</u>	<u>(0.71)</u>

Amounts taken to the Statement of Comprehensive Income

	2022 £'m	2021 £'m
Remeasurement	<u>4.94</u>	<u>26.31</u>

20 Stock

	2022 £ 000	2021 £ 000
Other stock	<u>95</u>	<u>95</u>

There is no significant difference between the replacement cost of raw materials and consumables and their carrying amounts.

21 Trade and other debtors

	2022 £ 000	2021 £ 000
Trade and other debtors falling due within one year		
Trade debtors	263,914	249,864
Provision for impairment of trade debtors	<u>(3,476)</u>	<u>(2,686)</u>
Net trade debtors	260,438	247,178
Debtors from related parties	1,212,972	709,345
Prepayments	7,227	5,748
Tax recoverable	31,190	40,256
Derivative financial assets	1,558	-
Other debtors	<u>18,093</u>	<u>11,950</u>
	<u>1,531,478</u>	<u>1,014,477</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Trade and other debtors (continued)

Trade and other debtors falling due after more than one year

Deferred tax assets	-	5,750
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Total trade and other receivables

	1,531,478	1,020,227
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Debtors from related parties, amounts owed from group undertakings, are unsecured and are repayable on demand or have contractual maturities of less than 12 months. £255.23m (2021: £228.78m) consists of balances which are interest-free. The remaining £957.74m (2021: £480.56m) comprise balances with variable interest rates, which were between 1.27% and 3.86% during 2022 (2021: 1.58% and 2.58%).

22 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Trade creditors	18,705	23,079
Accrued expenses	183,682	142,536
Amounts due to related parties	907,502	1,044,957
Social security and other taxes	7,324	13,510
Other creditors	21,944	7,958
Current portion of long term lease liabilities	2,355	1,877
Derivative financial liabilities	1,938	2,102
	1,143,450	1,236,019

Amounts due to related parties, owed to group undertakings, are unsecured and are repayable on demand or have contractual maturities of less than 12 months. £358.34m (2021: £536.77m) consists of balances which are interest-free. The remaining £549.16m (2021: £508.18m) comprise balances with variable interest rates, which were between 1.81% and 7.28% during 2022 (2021: 0.50% and 2.84%).

23 Creditors: amounts falling due after more than one year

	2022 £ 000	2021 £ 000
Other non-current financial liabilities	10,055	2,666
Long term lease liabilities	13,807	16,430
	23,862	19,096

Amounts owed to group undertakings are unsecured, some of which are interest bearing with variable rates, and falling due for repayment after more than one year.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

24 Provisions for liabilities

	Onerous contracts £ 000	Dilapidations provision £ 000	Total £ 000
At 1 January 2022	-	1,108	1,108
Additional provisions	12,026	-	12,026
Unused provision reversed	-	(575)	(575)
At 31 December 2022	<u>12,026</u>	<u>533</u>	<u>12,559</u>

25 Called up share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£ 000	No.	£ 000
At 31 December of £1,000 each	<u>2,996,958</u>	<u>2,996,958</u>	<u>2,996,958</u>	<u>2,996,958</u>

During 2021, the company purchased the entire share capital of IQVIA RDS East Asia Pte. Ltd from IQVIA RDS Holdings in exchange of 2,972,173 new ordinary shares with total value of £2,972,173,000.

The company does not have a limited amount of authorised capital. At the year end, the company has 2,996,958 ordinary shares in issue of £1,000 each.

26 Other reserves

Other reserves

In 2015 the laboratory business was sold to form a new subsidiary. This business was sold at its fair market value of £112.08 million, this has led to the creation of an unrealised 'Other reserve' in the Statement of Financial Position of £110.25 million.

During 2018 IQVIA Ltd. acquired the trade and assets of a UK Branch owned by an associated Swiss company which has led to recording of an amount in the unrecognised 'Other reserve' of £23.15 million, reducing it to £87.10 million. The acquisition occurred on the 30 November 2018 at a cost of £103.00 million. The net assets on that date were £79.85 million with the difference going to the other reserve.

As part of a restructuring project undertaken by the IQVIA group, during 2019 the company acquired the trade and assets of several companies owned by the immediate parent company IQVIA RDS Holdings and indirect parent company IQVIA RDS UK Holdings Ltd. This has led to recording of an amount in the unrecognised 'Other reserve' of £182.03 million, reducing it to negative £94.93 million.

As part of a restructuring project undertaken by the IQVIA group, during 2020 the company acquired the trade and assets of Linguamatics Solutions Limited and Linguamatics Limited owned by the IQVIA group. This has led to recording of an amount in the unrecognised 'Other reserve' of £19.44 million, increasing it to negative £114.37 million.

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

26 Other reserves (continued)

As part of a restructuring project undertaken by the IQVIA group, during 2021 the company acquired the trade and assets of Cenduit Limited owned by the IQVIA group. This has led to recording of an amount in the unrecognised 'Other reserve' of £1.88 million. In addition, during 2021 the company also acquired the trade and assets of GCE Clin Solutions Limited. This has led to recording of an amount in the unrecognised 'Other reserve' of £0.61 million, increasing the balance on 'Other reserve' to negative £116.86 million.

As part of a restructuring project undertaken by the IQVIA group, during 2022 the company acquired the trade and assets of IQVIA Technology Services Limited owned by the IQVIA group. This has led to recording of an amount in the unrecognised 'Other reserve' of £4.29 million, increasing the balance on 'Other reserve' to negative £121.14 million.

The Directors consider that the 2022 transaction is a 'Business Combination under Common Control'. On this basis the assets and liabilities will remain at their original balance sheet value (Predecessor Method) and the movement between the valuation and the original balance sheet value will be transferred to Equity.

The company has an accounting policy to apply merger accounting principles for group reconstructions. Differences between the net book value of assets acquired and their purchase price at fair value are taken to the other reserve.

27 Share-based payments

At 31 December 2022 the company's employees were members of share-based compensation plans operated by the ultimate parent company IQVIA Holdings Inc.. The shares outstanding are for contracts under the 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 executive share option plans.

For options outstanding at the end of the year, the range of exercise prices and weighted average remaining contractual life are as follows:

2022

Weighted average exercise price	Number of shares	Weighted average remaining life	
		Expected	Contractual
\$40.00	26,397	0 years	1 years
\$53.57	17,100	0 years	2 years
\$64.92	19,089	0 years	3 years
\$64.67	22,784	0 years	4 years
\$78.21	46,387	0 years	5 years
\$95.23	83,800	0 years	6 years
£131.82	83,282	0 years	7 years
\$161.70	122,651	1 years	8 years
\$183.82	59,454	2 years	9 years
\$250.43	56,306	3 years	10 years

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

27 Share-based payments (continued)

2021

Weighted average exercise price	Number of shares	Weighted average remaining life	
		Expected	Contractual
\$26.68	1,250	0 years	1 years
\$40.00	27,994	0 years	2 years
\$53.57	17,100	0 years	3 years
\$64.92	19,589	0 years	4 years
\$64.67	23,161	0 years	5 years
\$78.21	51,046	0 years	6 years
\$95.23	89,504	0 years	7 years
£131.82	91,407	1 years	8 years
\$161.70	133,150	2 years	9 years
\$183.82	61,963	3 years	10 years

The company recognise a share-based payment expense based on the fair value of the award granted, and an equivalent credit directly in equity as capital contribution.

The weighted average fair value of options granted in the year was \$250.43 (2021: \$183.82).

Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

Historical data is used to determine the expected life of the option. The risk-free rate was based on the US Treasury zero-coupon bonds in effect at the time of grant.

Restricted Stock Units

The movements in the number of share options during the year were as follows:

	2022	2021
	Number	Number
Outstanding, start of year	225,799	209,759
Granted during the year	84,430	115,900
Exercised during the year	(72,366)	(86,113)
Expired during the year	(4,966)	(10,716)
Transferred during the year	(773)	(3,031)
Outstanding, end of year	<u>232,124</u>	<u>225,799</u>

The movements in the weighted average exercise price of share options during the year were as follows:

	2022	2021
	\$	\$
Outstanding, start of year	167.39	131.87
Granted during the year	250.43	183.82
Transferred during the year	167.39	131.87
Outstanding, end of year	<u>585.21</u>	<u>167.39</u>

IQVIA Ltd.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

27 Share-based payments (continued)

Fair value of options granted

The weighted average fair value of restricted stock units granted during the period at measurement date was \$250.43 (2021: \$183.82).

28 Commitments

Capital commitments

The company is party to third party guarantees (no specific assets are secured) to its bankers across certain UK group companies totalling £0.81 million (2021: £0.68 million) in respect of property rental payments and value added tax.

29 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned with the Group.

30 Post balance sheet events

On 25 April 2023, the company paid a dividend of £276.56 million to its parent company IQVIA RDS Holdings in specie of various intercompany loan receivables from IQVIA Inc. In addition, the company performed capital reduction by reducing the entire share premium account of £512.51 million to nil by crediting to retained earnings.

On 28 April 2023, the company acquired the entire issued share capital of EPG Communication Holdings Limited and 51% of the issued ordinary shares of IMR International (Australia) PTY Ltd for £17.50 million.

On 11 July 2023, the company acquired the entire issued share capital of Healthcare Business Information Limited for £7 million.

On 10 August 2023, the company received a dividend of £1.45 million from Prioritis Limited.

On 31 August 2023, the company acquired the entire issued share capital of PHR Topco Limited for £53.41 million.

31 Controlling parties

The company's immediate parent is IQVIA RDS Holdings, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is IQVIA Holdings Inc., a company incorporated in the United States of America.

IQVIA Holdings Inc., registered at 4820 Emperor Blvd., Durham, North Carolina 27703, United States, is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of IQVIA Holdings Inc. may be obtained from the company's website www.iqvia.com

The ultimate controlling party is IQVIA Holdings Inc..