CPPGroup Plc

("CPP Group"; "the Group"; or "the Company")

HALF YEAR REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2024

OPERATIONAL PRIORITIES DELIVERED AND ENCOURAGING PROGRESS AT BLINK

CPP Group (AIM: CPP), provider of real-time, digitally delivered assistance products which reduce disruptions to everyday life for millions of people across the world, is pleased to announce its half year results for the six months ended 30 June 2024.

Financial Highlights:

- Group revenue decreased by 2% to £89.1 million (H1 2023 restated: £90.6 million).
- Group EBITDA at £1.1 million (H1 2023 restated: £2.1 million).
- Core business units[4] revenues increased by 1% to £88.2 million (H1 2023: £87.0 million).
- EBITDA from Core business units[4] at £4.0 million (H1 2023: £3.9 million)
- Loss before tax of £0.7 million (H1 2023 restated: £3.0 million loss).
- Cash balance of £11.6 million at 30 June 2024 (H1 2023: £16.0 million; 31 December 2023: £19.0 million).

Operational Highlights:

- Group focused on three Core businesses (Blink Parametric ("Blink"); CPP India, and CPP Turkey).
- Core businesses:
  - Blink secured five new contracts and maintained its 100% partner renewal rate.
  - CPP India and CPP Turkey performed in line with expectations, despite currency headwinds.
- Change Management Programme ("CMP") completed ahead of schedule.
- Exit from Legacy businesses complete, with UK back book in active run-off.
- Disposal of minority interest in KYND Limited ("KYND") completed for £2.6 million.

Post period end:

- Subsequent to the reporting date:
  - Blink has signed another two contracts, for its parametric flight disruption services.
  - CPP India has secured an extension of the Bajaj Finance Limited ("Bajaj") contract to 31 December 2027.
  - The Group has completed the accelerated disposal of its 51% interest in Globiva Services Private Ltd ("Globiva") for a total consideration of approximately £3.8 million of which, £1.1 million was received in January 2024.

Simon Pyper, CEO of CPP Group, commented:

"Our businesses in India and Turkey performed very much as expected during the first half of the year despite currency headwinds and the transfer of part of the LivCare book to locally based insurers in India. However, our primary focus continues to be growing Blink – a global product – and we have made good progress during 2024. Blink now provides travel disruption solutions to 19 partners across 12 geographies.

Following the completion of the CMP and exit from our Legacy operations, the Group is now the business that it set out to become some two years ago, namely an InsurTech business led by Blink."

Financial and non-financial highlights – continuing operations

£ millions	Six months to 30 June 2024	Six months to 30 June 2023 (Restated[1])	Change
Financial highlights:			
Group			
Revenue	89.1	90.6	(2)%
EBITDA[2]	1.1	2.1	(47)%
Operating (loss)/profit			
- Reported	(1.0)	(3.3)	69%
- Underlying[3]	(0.5)	1.2	(143)%
(Loss)/profit before tax			
- Reported	(0.7)	(3.0)	76%
- Underlying[3]	(0.2)	1.4	(117)%
(Loss)/profit after tax			
- Reported	(2.0)	(4.4)	55%
- Underlying[3]	(1.5)	—	>(999)%
Basic loss per share (pence)			
- Reported	(24.28)	(52.07)	53%
- Underlying[3]	(18.66)	(2.37)	(687)%
Cash and cash equivalents	11.6	16.0	(27)%
Segmental			
Revenue			
- Core[4]	88.2	87.0	1%
- Legacy[5]	0.9	3.6	(75)%
EBITDA			
- Core[4]	1.6	1.7	(3)%
- Legacy[5]	(0.5)	0.4	(203)%

1. Restated to reflect Spain, Italy and Portugal as discontinued operations (note 2).
2. EBITDA represents earnings before interest, taxation, depreciation, amortisation, and exceptional items.
3. Underlying operating profit and underlying profit before tax excludes exceptional items of £0.5 million (H1 2023 restated: £4.4 million restated). The tax effect of the exceptional items is £nil (H1 2023 restated: £0.1 million). Further detail of exceptional items is provided in note 4 of the condensed consolidated interim financial statements.
4. Core business units comprises revenue and EBITDA from CPP India, CPP Turkey, Blink Parametric and Globiva. Core total also includes central costs of £2.4 million (H1 2023 restated: £2.2 million).
5. Legacy business reflects the UK business which is in run-off and is principally Card Protection and Identity Protection policies.

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About CPP Group:

CPP Group is a technology-driven assistance company that creates embedded, ancillary, and real-time assistance products and resolution services that reduce disruption to everyday life for millions of people across the world, at the time and place they are needed, CPP Group is listed on AIM, operated by the London Stock Exchange.

For more information on CPP visit https://corporate.cppgroup.com/

Chief Executive Officer Statement

First Half Performance

With the completion of the CMP and exit from our Legacy operations, the Group is now the business that it set out to become some two years ago, namely an InsurTech business led by Blink and supported by CPP India and CPP Turkey.

From a trading perspective, our focus is to grow Blink by partnering with large global and regional insurance companies, across multiple geographies and multiple products. We have made good progress during the year in achieving this, with Blink now providing travel disruption solutions to 19 partners across 12 geographies. Blink's growth, despite the 100% renewal rate from existing contracts, will for the foreseeable future be dependent on securing new business, and new business, particularly with the scale and complexity of partners we are targeting, takes time, application and patience.

Our businesses in India and Turkey performed very much as expected during the first half. CPP India, despite currency headwinds and the transfer of part of the Bajaj LivCare book to locally based insurance companies, saw revenues decline by only 2%. CPP Turkey's performance was very good, with revenues growing by 125%, offsetting adverse movements in both foreign exchange, and local inflation rates.

Having completed the CMP and exited from its Legacy operations the Group has moved to a new operating model, one which provides central functions at a significantly reduced cost. This reduction in our central cost base has allowed the Group to absorb the reduction in the LivCare business without having to revise earnings forecasts.

In summary, we are doing what we set out to do when we published our revised strategy for the Group two years ago in September 2022.

Group Performance

EBITDA from our core business of £1.6 million was marginally lower than prior year (H1 2023 restated: £1.7 million) reflecting the continued investment in Blink, the reduction in CPP India LivCare sales, and £0.4 million adverse currency movements. On the plus side, central overheads, before recharges to business units, reduced by £0.6 million to £4.1 million reflecting the benefits of the CMP and the move to a new and more efficient operating model.

1. Blink investment: Blink is the Group's only global product, focused on delivering parametric InsurTech solutions to the worldwide travel insurance, and consumer cyber-security markets. It forms an integral part of the Group's strategy and needs sustained investment over the medium term if it is to realise its substantial potential. Blink reported an EBITDA loss of £1.0 million (H1 2023: £0.6 million loss).

2. CPP India: the transfer by Bajaj of part of the LivCare portfolio to locally based insurers reduced first half revenues by £1.6 million, whilst EBITDA improved by £0.4 million following a reduction in central recharges as the new IT platform became fully operational. The gross profit margin improved by 0.7 percentage points to 10.1% (H1 2023: 9.4%) reflecting a favourable revenue mix change.

3. Currency headwinds: the Group derives 95% of its revenues in Indian rupees which has seen a weakening against sterling of 4% for the period, whilst the Turkish lira has depreciated by 60%. On a constant currency basis, the Group would have reported an additional £0.4 million of EBITDA.

4. Central overheads: the cost of central functions before recharges reduced by £0.6 million to £4.1 million (H1 2023 restated: £4.7 million) reflecting the benefit of the completion of the CMP. The majority of the reduction in costs relates to Group IT services. Net of recharges reported central costs were £2.4 million (H1 2023 restated: £2.2 million). It is expected that 2024 full year central costs after recharges will show a notable reduction on the prior year.

The operating loss of £1.0 million (H1 2023 restated: £3.3 million loss) includes exceptional items of £0.5 million (H1 2023 restated: £4.4 million) which are associated with the CMP.

Outlook

We are confident about the outlook and growth prospects for our Core operations and are pleased to have secured a contract extension with our largest customer, Bajaj.

With the CMP now complete, we are fully focused on driving growth. Longer term success, particularly for Blink, very much depends on how well we convert our strong pipeline of opportunities into new business, and once converted, how well we set about exceeding our partners expectations, and in so doing building relationships which deliver long-term value for all stakeholders.

Whilst progress is never as fast as I would like, I remain confident that we are travelling in the right direction and at an appropriate speed.

Business Unit Performance:

£ millions	REVENUE			EBITDA[1]		
Continuing Operations	**H1 2024**	**H1 2023[2]**	**CHANGE**	**H1 2024**	**H1 2023[2]**	**CHANGE**
CPP India	**76.4**	78.0	(2)%	**3.4**	3.0	14%
Globiva	**8.1**	7.2	12%	**0.9**	1.2	(30)%
CPP Turkey	**3.2**	1.4	125%	**0.7**	0.3	143%
Blink	**0.5**	0.4	29%	**(1.0)**	(0.6)	(63)%
Core business units	**88.2**	87.0	1%	**4.0**	3.9	2%
Central Functions	**—**	—	n/a	**(2.4)**	(2.2)	(6)%
Core total	**88.2**	87.0	1%	**1.6**	1.7	(3)%
Legacy[3]	**0.9**	3.6	(75)%	**(0.5)**	0.4	(203)%
Group total	**89.1**	90.6	(2)%	**1.1**	2.1	(47)%

1. EBITDA represents earnings before interest, taxation, depreciation, amortisation, and exceptional items.
2. Restated to reflect Spain, Italy and Portugal as discontinued operations.
3. Legacy comprises the UK which is in active run-off.

Business Unit Performance

Blink: EBITDA loss of £1.0 million (H1 2023: £0.6 million loss)
Blink is the Group's only offering which can be sold, serviced, and ultimately delivered profitably across multiple geographies.

Fundamentally, Blink is a B2B SaaS company, that exists to make a bad day better for the customers (policyholders) of global insurance and financial services organisations. The business creates innovative, scalable, white-label products for a growing number of large global and regional partners. Across its travel and cyber solutions Blink currently supports over 20 partners in 13 countries and, via its award-winning technology platform, services over one million policyholders.

We are confident, that we have now "proved the concept" with Blink and that there is a commercially attractive business, with real opportunities for long-term profitable growth. This year, for example, we have increased the number of partners and geographies serviced by 25% and 23% respectively, we have maintained 100% renewals on our existing partner base, and moreover, increased the number of customers we support at their time of need. Nonetheless, Blink's growth will for the foreseeable future be dependent on securing new business which takes time.

CPP India: EBITDA of £3.4 million (H1 2023: £3.0 million) and EBITDA margin of 4.5% (H1 2023: 3.9%)
CPP India works closely with its business partners to drive value by growing customer loyalty through the design and delivery of simple and innovative products, which fit seamlessly into the everyday life of consumers.

First half revenue performance, despite the adverse impact of Bajaj transferring part of their LivCare portfolio to locally based insurers, was only marginally below prior year, which given the circumstances, is a satisfactory outcome. The change in revenue mix brought about by the LivCare transfer, coupled with improved revenues from higher margin products increased CPP India's gross profit margin by 0.7 percentage points to 10.1% (H1 2023: 9.4%).

With regards to Bajaj, the business has agreed a contract extension to 31 December 2027, which reflects in part the value we help provide to Bajaj and their customers. In addition, the contract extension will provide both parties with some certainty over current and future commercial arrangements.

Operating costs increased marginally during the year reflecting the profit-based incentive structure for the in-country executive team. EBITDA margin has improved by 0.6 percentage points reflecting the increased gross profit margin partly offset by the higher operating costs.

Operationally, the new IT platform is performing well and servicing all of CPP India's nine million policies. The next phase of IT investment for CPP India will be focused on helping the business transform from an "assistance company" to a "technology led company focused on providing assistance services". There is much work to be done before we have a fully considered plan, but it is a statement of our intent and direction of travel.

Globiva: EBITDA of £0.9 million (H1 2023: £1.2 million) and EBITDA margin of 10.7% (H1 2023: 17.0%)
Globiva during the first half of 2024 was 51% owned by the Group and provides outsourced customer relationship management, back-office functionality, and automated human resource services to a predominately tech-focused client base. As a consequence of the well-publicised global tech downturn the business, which has a significant number of tech companies on its roster, has seen

a softening in seat occupancy rates and consequently revenues. In addition, given the relatively high operational gearing of such businesses, the softening in revenues has had an immediate, albeit modest, adverse impact on first half reported EBITDA.

CPP Turkey: EBITDA of £0.7 million (H1 2023: £0.3 million) and EBITDA margin of 21.1% (H1 2023: 19.5%)
CPP Turkey performed well in the first half with EBITDA increasing by 143%. That the business has been able to deliver real growth not only from existing partnerships but also new partnerships, reflects the strength and quality of the proposition, the business partner relationships, and local management team.

Legacy business: EBITDA loss of £0.5 million (H1 2023 restated: £0.4 million profit)
With the exit or closure of our Spanish, Portuguese and Italian operations the Group's only remaining Legacy business is its UK operations which are in active run-off. The run-off will complete at the end of 2026.

Central costs: £2.4 million (H1 2023 restated: £2.2 million)
Central overheads before appropriate recharge to business units have reduced by 13% to £4.1 million (H1 2023 restated: £4.7 million). The reduction reflects the benefits of the CMP and move to a new and more efficient operating model for central functions. The period-on-period benefit of the reduced central structure is expected to increase in the second half of the year. Net of recharges, our reported central costs have increased to £2.4 million (H1 2023 restated: £2.2 million) as the Group simplification and decentralisation of IT has resulted in £0.8 million lower recharges to business units. It is expected that 2024 full year central costs after recharges will show a notable reduction on the prior year.

The purpose of the Centre is to set and agree strategic objectives, monitor and review performance and allocate capital effectively. In addition, the Centre is also responsible for governance, external reporting and managing investor relations.

Taxation

The tax charge from continuing operations was £1.3 million (H1 2023 restated: £1.3 million), which is an effective tax rate (ETR) of negative 171% (H1 2023 restated: negative 44%). The tax charge includes £0.9 million (H1 2023: £1.2 million) relating to India and £0.3 million (H1 2023: £0.1 million) relating to Turkey. This includes withholding tax charges on dividends from both India and Turkey. The increase in ETR, reflects increased investment in Blink as the business is scaled, against which a deferred tax asset has not yet been recognised.

Whilst the Group ETR is currently high and volatile it is expected to improve in the medium-term as the UK Legacy business is exited, UK-based central costs are reduced and Blink scales and moves towards profitability.

Financial position

The Group had cash balances at 30 June 2024 of £11.6 million (H1 2023: £16.0 million; 31 December 2023: £19.0 million). Although cash has benefitted from the disposal of our investment in KYND, the balance has reduced by £7.4 million since the year end due to working capital payments and IT development costs in India. In addition, there have been costs to run-off the UK legacy book whilst cash collections have ceased, redundancy costs paid in Spain and to the UK-based IT team, and ongoing investment in scaling Blink.

Whilst the Group's cash balances are healthy at £11.6 million, the Group's principal source of cash generation has shifted to India. As a result, not all of the cash resources are immediately available for on demand working capital purposes around the Group. At 30 June 2024, approximately 40% of the cash balance is considered 'restricted' either due to regulatory requirements in the UK or available reserves in India. The proportion of cash that is restricted is expected to increase in the medium-term.

Events after the balance sheet date

On 9 September 2024, the Group completed its exit from Globiva for total cash consideration of £3.8 million (415.5 million rupees). The Group had originally agreed to a phased divestment over three-years for aggregate consideration of approximately £4.7 million (515.0 million rupees) which was subject to certain performance criteria and a maximum adjustment of plus or minus 10%.

Globiva's earnings outlook, due to a general slowdown in the Indian technology market, has deteriorated. At the request of the Globiva Founders the Group agreed to accelerate the disposal of its interest in Globiva, previously scheduled to complete in Q1 2027, and in accordance with the original agreement to apply the 10% reduction to price.

The revised consideration reflects the lower-end parameters of the original agreement and is net of the benefit accruing (a net present value adjustment) to the Group of receiving the cash consideration in full on completion rather than over a three-year period.

Globiva has not been treated as a discontinued operation at the balance sheet date. Excluding Globiva's results, the Group would have reported revenue of £81.0 million and EBITDA of £0.2 million from its continuing operations.

Operational Highlights
From an operational perspective, the Group has now concluded its CMP. In the last two years the Group has:

- Exited through sale or closure from all of its Legacy operations with only the UK remaining in run-off;
- Closed expensive Legacy IT platforms;
- Implemented new or enhanced IT platforms for its Core operations being Blink, CPP India and CPP Turkey; and
- Moved to a new operating model for central functions.

Whilst there is still much to do, our operational focus is now on supporting continuous development and improvement to deliver quality outcomes for our business partners and their end customers.

Our colleagues
The CMP, necessary as it was, unfortunately led to a number of roles being made redundant and consequently we have seen long-serving colleagues leave the business. The professionalism shown by those who have left and those who remain, is beyond praise. Everyone has played their part, no one has shied away from the hard decisions, and we have after almost two years, become the business we set out to be.

I would like to express my warm and sincere gratitude to all of my colleagues both past and present, for all that they have done and continue to do.

Simon Pyper
Chief Executive Officer
16 September 2024

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

		6 months ended 30 June 2024 (Unaudited)			6 months ended 30 June 2023 (Restated*) (Unaudited)			Year ended 31 December 2023 (Restated*) (Audited)		
		Core	**Legacy**	**Total**	Core	Legacy	Total	Core	Legacy	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations										
Revenue	3	**88,199**	**914**	**89,113**	87,030	3,606	90,636	181,010	6,960	187,970
Cost of sales		**(76,817)**	**(190)**	**(77,007)**	(76,818)	(727)	(77,545)	(159,031)	(1,490)	(160,521)
Gross profit		**11,382**	**724**	**12,106**	10,212	2,879	13,091	21,979	5,470	27,449
Administrative expenses		**(11,686)**	**(1,426)**	**(13,112)**	(10,072)	(6,290)	(16,362)	(23,016)	(9,466)	(32,482)
Operating (loss)/profit		**(304)**	**(702)**	**(1,006)**	140	(3,411)	(3,271)	(1,037)	(3,996)	(5,033)
Analysed as:										
EBITDA	3	**1,610**	**(484)**	**1,126**	1,669	469	2,138	2,735	795	3,530
Depreciation and amortisation		**(1,634)**	**(1)**	**(1,635)**	(903)	(57)	(960)	(2,407)	(177)	(2,584)
Exceptional items	4	**(280)**	**(217)**	**(497)**	(626)	(3,823)	(4,449)	(1,365)	(4,614)	(5,979)
Investment revenues		**385**	**109**	**494**	333	96	429	521	228	749
Finance costs		**(153)**	**(69)**	**(222)**	(187)	2	(185)	(471)	(1)	(472)
(Loss)/profit before taxation		**(72)**	**(662)**	**(734)**	286	(3,313)	(3,027)	(987)	(3,769)	(4,756)
Taxation	5	**(1,256)**	**—**	**(1,256)**	(1,290)	(56)	(1,346)	(1,761)	(108)	(1,869)
Loss for the period from continuing operations		**(1,328)**	**(662)**	**(1,990)**	(1,004)	(3,369)	(4,373)	(2,748)	(3,877)	(6,625)
Discontinued operations										
Profit /(loss) for the period from discontinued operations	6	**—**	**1,804**	**1,804**	—	(698)	(698)	—	(1,474)	(1,474)
(Loss)/profit for the period		**(1,328)**	**1,142**	**(186)**	(1,004)	(4,067)	(5,071)	(2,748)	(5,351)	(8,099)
Attributable to:										
Equity holders of the Company		**(1,486)**	**1,142**	**(344)**	(1,236)	(4,067)	(5,303)	(3,304)	(5,351)	(8,655)
Non-controlling interests		**158**	**—**	**158**	232	—	232	556	—	556
		(1,328)	**1,142**	**(186)**	(1,004)	(4,067)	(5,071)	(2,748)	(5,351)	(8,099)
Basic & diluted (loss)/earnings per share		**Pence**	**Pence**	**Pence**	Pence	Pence	Pence	Pence	Pence	Pence
Continuing operations	7	**(16.80)**	**(7.48)**	**(24.28)**	(13.96)	(38.11)	(52.07)	(37.35)	(43.83)	(81.18)
Discontinued operations	7	**—**	**20.39**	**20.39**	—	(7.88)	(7.88)	—	(16.66)	(16.66)
	7	**(16.80)**	**12.91**	**(3.89)**	(13.96)	(45.99)	(59.95)	(37.35)	(60.49)	(97.84)

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2024 £'000 (Unaudited)	6 months ended 30 June 2023 £'000 (Unaudited)	Year ended 31 December 2023 £'000 (Audited)
Loss for the period	**(186)**	(5,071)	(8,099)
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on equity investment	—	—	610
Exchange differences on translation of foreign operations	**(353)**	(484)	(696)
Exchange differences reclassified on disposal of foreign operations	**(2,005)**	—	68
Other comprehensive expense for the period net of taxation	**(2,358)**	(484)	(18)
Total comprehensive expense for the period	**(2,544)**	(5,555)	(8,117)
Attributable to:			
Equity holders of the Company	**(2,708)**	(5,722)	(8,571)
Non-controlling interests	**164**	167	454
	(2,544)	(5,555)	(8,117)

CONSOLIDATED BALANCE SHEET

	Note	30 June 2024 £'000 (Unaudited)	30 June 2023 £'000 (Unaudited)	31 December 2023 £'000 (Audited)
Non-current assets				
Goodwill		**514**	524	513
Other intangible assets		**6,746**	5,728	6,619
Property, plant and equipment		**829**	1,103	932
Right-of-use assets		**2,657**	3,567	3,122
Equity investment		—	2,041	—
Deferred tax assets		**707**	536	693
Contract assets		**201**	211	208
		11,654	13,710	12,087
Current assets				
Contract assets		**6,211**	6,948	6,716
Trade and other receivables		**13,060**	14,819	13,770
Cash and cash equivalents		**11,636**	15,959	19,001
		30,907	37,726	39,487
Assets classified as held for sale		—	—	2,631
		30,907	37,726	42,118
Total assets	3	**42,561**	51,436	54,205
Current liabilities				
Income tax liabilities		**(999)**	(1,023)	(1,004)
Trade and other payables		**(19,126)**	(19,849)	(25,696)
Provisions	8	**(1,576)**	(947)	(1,877)
Lease liabilities		**(953)**	(946)	(907)
Contract liabilities		**(10,230)**	(12,146)	(11,581)
		(32,884)	(34,911)	(41,065)
Net current (liabilities)/assets		**(1,977)**	2,815	1,053
Non-current liabilities				
Borrowings		**86**	125	105
Deferred tax liabilities		**(644)**	(699)	(646)
Provisions	8	**(1,011)**	(2,685)	(1,588)
Lease liabilities		**(2,463)**	(3,380)	(2,892)
Contract liabilities		**(429)**	(629)	(604)
		(4,461)	(7,268)	(5,625)
Total liabilities		**(37,345)**	(42,179)	(46,690)
Net assets		**5,216**	9,257	7,515
Equity				
Share capital	9	**24,257**	24,256	24,257
Share premium account		**45,225**	45,225	45,225
Merger reserve		**(100,399)**	(100,399)	(100,399)
Translation reserve		**(3,715)**	(1,244)	(1,351)
ESOP reserve		**18,659**	17,567	18,334
Retained earnings		**18,768**	21,882	19,192
Equity attributable to equity holders of the Company		**2,795**	7,287	5,258
Non-controlling interests		**2,421**	1,970	2,257
Total equity		**5,216**	9,257	7,515

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £'000	Share premium account £'000	Merger reserve £'000	Translation reserve £'000	ESOP reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
6 months ended 30 June 2024 (Unaudited)										
At 1 January 2024		**24,257**	**45,225**	**(100,399)**	**(1,351)**	**18,334**	**19,192**	**5,258**	**2,257**	**7,515**
(Loss)/profit for the period		—	—	—	—	—	**(344)**	**(344)**	**158**	**(186)**
Other comprehensive expense for the period		—	—	—	**(2,364)**	—	—	**(2,364)**	**6**	**(2,358)**
Total comprehensive expense for the period		—	—	—	**(2,364)**	—	**(344)**	**(2,708)**	**164**	**(2,544)**
Equity-settled share-based payment charge		—	—	—	—	**325**	—	**325**	—	**325**
Effects of hyperinflation		—	—	—	—	—	**(80)**	**(80)**	—	**(80)**
At 30 June 2024		**24,257**	**45,225**	**(100,399)**	**(3,715)**	**18,659**	**18,768**	**2,795**	**2,421**	**5,216**
6 months ended 30 June 2023 (Unaudited)										
At 1 January 2023		24,256	45,225	(100,399)	(825)	17,212	27,201	12,670	1,803	14,473
(Loss)/profit for the period		—	—	—	—	—	(5,303)	(5,303)	232	(5,071)
Other comprehensive expense for the period		—	—	—	(419)	—	—	(419)	(65)	(484)
Total comprehensive expense for the period		—	—	—	(419)	—	(5,303)	(5,722)	167	(5,555)
Equity-settled share-based payment charge		—	—	—	—	355	—	355	—	355
Effects of hyperinflation		—	—	—	—	—	(16)	(16)	—	(16)
At 30 June 2023		24,256	45,225	(100,399)	(1,244)	17,567	21,882	7,287	1,970	9,257
Year ended 31 December 2023 (Audited)										
At 1 January 2023		24,256	45,225	(100,399)	(825)	17,212	27,201	12,670	1,803	14,473
(Loss)/profit for the year		—	—	—	—	—	(8,655)	(8,655)	556	(8,099)
Other comprehensive expense for the year		—	—	—	(526)	—	610	84	(102)	(18)
Total comprehensive expense for the period		—	—	—	(526)	—	(8,045)	(8,571)	454	(8,117)
Equity-settled share-based payment charge		—	—	—	—	1,122	—	1,122	—	1,122
Exercise of share options		1	—	—	—	—	(1)	—	—	—
Effects of hyperinflation		—	—	—	—	—	37	37	—	37
At 31 December 2023		24,257	45,225	(100,399)	(1,351)	18,334	19,192	5,258	2,257	7,515

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 June 2024 £'000 (Unaudited)**	6 months ended 30 June 2023 £'000 (Unaudited)	Year ended 31 December 2023 £'000 (Audited)
Net cash (used in)/from operating activities	10	**(8,641)**	(2,429)	3,610
Investing activities				
Interest received		**494**	429	749
Purchases of property, plant and equipment		**(170)**	(162)	(335)
Purchases of intangible assets	3	**(1,282)**	(1,643)	(3,551)
Sale of equity investment		**2,651**	—	—
Cash consideration in respect of sale of discontinued operations		**434**	—	—
Costs associated with disposal of discontinued operations		**(20)**	—	—
Cash disposed of with discontinued operations		**(151)**	—	—
Net cash from/(used in) investing activities		**1,956**	(1,376)	(3,137)
Financing activities				
Costs of refinancing the bank facility		—	—	(128)
Repayment of the lease liabilities		**(638)**	(742)	(1,396)
Interest paid		**(32)**	(37)	(69)
Net cash used in financing activities		**(670)**	(779)	(1,593)
Net decrease in cash and cash equivalents		**(7,355)**	(4,584)	(1,120)
Effect of foreign exchange rate changes		**(10)**	(441)	(863)
Cash and cash equivalents at start of period		**19,001**	20,984	20,984
Cash and cash equivalents at end of period		**11,636**	15,959	19,001

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

The condensed consolidated interim financial statements for the six months ended 30 June 2024 do not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. The Annual Report and Financial Statements (the 'Financial Statements') for the year ended 31 December 2023 were approved by the Board on 25 March 2024 and have been delivered to the Registrar of Companies. The Auditor, PKF Littlejohn LLP, reported on these financial statements; their report was unqualified, did not contain an emphasis of matter paragraph and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

2 Accounting policies

Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023 which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting Standards (UK IASs). The condensed consolidated interim financial statements were approved for release on 16 September 2024.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023, except as detailed below.

New standards
Amendments to IFRS 16, IAS 1 and IAS 7 are applicable for the first time in the current period. There has been no material impact to the Group on adoption.

Restatement of disclosures
On 14 June 2024, the Group completed the sale of its wholly owned subsidiary CPP Italia Srl (Italy).

In line with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, Spain and Portugal operations met our accounting policy to be classified as abandoned. As at 30 June 2024 there were no employees, no servicing obligations and no revenue contracts. Post period end, the liquidation of Spain and Portugal has been completed.

Therefore, Italy, Spain and Portugal have been classified as discontinued operations from June 2024. Accordingly, in these interim financial statements the comparative consolidated income statement information for the six months ended 30 June 2023 and year ended 31 December 2023 and appropriate disclosure notes have been restated (see note 6). The adjustments relating to the restatement have not been audited.

Hyperinflation
The Group has operations within Turkey, which continue to meet the criteria to be classified as a hyperinflationary economy, whereby inflation has continued to be over 100% over the past three years. The three year inflation rate as at 30 June 2024 is 325%. Therefore, the results of our Turkish subsidiary have been adjusted for the changes in inflation in each reporting period shown and are stated at the exchange rate at the end of each reporting period. The price index in Turkey (source: Turkish Statistical Institute) has shown inflation for the six month period to 30 June 2024 of 25% (H1 2023: 20%; and year ended 31 December 2023: 65%).

Going concern
In reaching their view on the preparation of the condensed consolidated interim financial statements on a going concern basis, the Directors are required to consider whether the Group can continue in operational existence for a period of at least 12 months from the date of this report.

The Group has a formalised process of budgeting, reporting and review along with procedures to forecast its profitability and cash flows. The plans provide information to the Directors which are used to ensure the adequacy of resources available for the Group to meet its business objectives, both in the short-term and in relation to its strategic priorities. The Group's revenue, profit and cash flow forecasts are subject to robust downside stress testing which involves modelling the impact of a combination of plausible adverse scenarios focused on crystallisation of the Group's key operational risks, taking into account the changing economic back

2 Accounting policies (continued)

Going concern (continued)
drop. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies.

Taking the analysis into consideration, the Directors are satisfied that the Group has the necessary resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

3 Segmental analysis

IFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors to allocate resources to the segments and to assess their performance.

The Group is managed on the basis of five broad business units:
• India (CPP India and Globiva);
• Turkey;
• Blink;
• Central Functions – central cost base required to provide expertise and operate a listed group. Central Functions is stated after the recharge of certain central costs that are appropriate to transfer to the relevant geographies for statutory purposes; and
• Legacy (UK Legacy and UK MGA)

Certain exceptional items recognised within the Central Functions business unit, have been reclassified to Legacy, where they relate to costs specific to the closure of the Legacy business and decommissioning of the Group's legacy IT systems. In June 2024, Italy, Spain and Portugal were reclassified as discontinued, having previously been part of the Legacy segment; accordingly, the interim comparatives have been restated.

Segment revenue and performance for the current and comparative periods are presented below:

	India	Turkey	Blink	Central Functions	Legacy	Total
Six months ended 30 June 2024 (Unaudited)	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Continuing operations						
Revenue – external sales	**84,516**	**3,178**	**505**	**—**	**914**	**89,113**
Cost of sales	**(75,062)**	**(1,667)**	**(88)**	**—**	**(190)**	**(77,007)**
Gross profit	**9,454**	**1,511**	**417**	**—**	**724**	**12,106**
Administrative expenses excluding depreciation, amortisation, and exceptional items	**(5,143)**	**(841)**	**(1,419)**	**(2,369)**	**(1,208)**	**(10,980)**
EBITDA	**4,311**	**670**	**(1,002)**	**(2,369)**	**(484)**	**1,126**
Depreciation and amortisation	**(1,403)**	**(76)**	**(59)**	**(96)**	**(1)**	**(1,635)**
Exceptional items (note 4)	**—**	**—**	**(44)**	**(236)**	**(217)**	**(497)**
Operating (loss)/profit	**2,908**	**594**	**(1,105)**	**(2,701)**	**(702)**	**(1,006)**
Investment revenues						**494**
Finance costs						**(222)**
Loss before taxation						**(734)**
Taxation						**(1,256)**
Loss for the period from continuing operations						**(1,990)**
Discontinued operations						
Profit for the period from discontinued operations						**1,804**
Loss for the period						**(186)**

3 Segmental analysis (continued)

Six months ended 30 June 2023 (Restated*) (Unaudited) Continuing operations	India £'000	Turkey £'000	Blink £'000	Central Functions £'000	Legacy £'000	Total £'000
Revenue - external sales	85,224	1,413	393	—	3,606	90,636
Cost of sales	(76,167)	(612)	(39)	—	(727)	(77,545)
Gross profit	9,057	801	354	—	2,879	13,091
Administrative expenses excluding depreciation, amortisation, and exceptional items	(4,817)	(525)	(967)	(2,234)	(2,410)	(10,953)
EBITDA	4,240	276	(613)	(2,234)	469	2,138
Depreciation and amortisation	(664)	(56)	(57)	(126)	(57)	(960)
Exceptional items (note 4)	—	(210)	—	(416)	(3,823)	(4,449)
Operating (loss)/profit	3,576	10	(670)	(2,776)	(3,411)	(3,271)
Investment revenues						429
Finance costs						(185)
Loss before taxation						(3,027)
Taxation						(1,346)
Loss for the period from continuing operations						(4,373)
Discontinued operations						
Loss for the period from discontinued operations						(698)
Loss for the period						(5,071)

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

3 Segmental analysis (continued)

Year ended 31 December 2023 (Restated)* (Audited) Continuing operations	India £'000	Turkey £'000	Blink £'000	Central Functions £'000	Legacy £'000	Total £'000
Revenue - external sales	175,519	4,675	816	—	6,960	187,970
Cost of sales	(157,118)	(1,834)	(79)	—	(1,490)	(160,521)
Gross profit	18,401	2,841	737	—	5,470	27,449
Administrative expenses excluding depreciation, amortisation, and exceptional items	(10,353)	(1,689)	(2,529)	(4,673)	(4,675)	(23,919)
EBITDA	8,048	1,152	(1,792)	(4,673)	795	3,530
Depreciation and amortisation	(1,851)	(139)	(162)	(255)	(177)	(2,584)
Exceptional items (note 4)	—	(223)	—	(1,142)	(4,614)	(5,979)
Operating (loss)/profit	6,197	790	(1,954)	(6,070)	(3,996)	(5,033)
Investment revenues						749
Finance costs						(472)
Loss before taxation						(4,756)
Taxation						(1,869)
Loss for the period from continuing operations						(6,625)
Discontinued operations						
Loss for the period from discontinued operations						(1,474)
Loss for the period						(8,099)

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

Segmental assets

	30 June 2024 £'000 (Unaudited)	30 June 2023 £'000 (Unaudited)	31 December 2023 £'000 (Audited)
India	**31,977**	32,513	36,677
Turkey	**2,750**	1,570	2,293
Blink	**928**	503	873
Central Functions	**1,831**	2,008	958
Legacy	**3,854**	11,741	9,567
Total segment assets	**41,340**	48,335	50,368
Unallocated assets	**1,221**	3,101	1,206
Assets classified as held for sale	—	—	2,631
Consolidated total assets	**42,561**	51,436	54,205

Goodwill, deferred tax assets, and the equity investment (classified as held for sale at 31 December 2023) are not allocated to segments. The Legacy asset balance includes £3,349,000 at 30 June 2023 and £2,469,000 at 31 December 2023 of assets held in Italy, Spain and Portugal.

3 Segmental analysis (continued)

Capital expenditure

	Other intangible assets		
	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
Continuing operations			
India	**1,028**	1,368	2,970
Turkey	**5**	14	14
Blink	**203**	52	251
Central Functions	**46**	31	138
Legacy	**—**	178	178
Total additions	**1,282**	1,643	3,551

In the period to 30 June 2024 £1,231,000 (30 June 2023: £1,419,000, 31 December 2023: £3,221,000) of the total other intangible asset additions related to internally generated software assets. These reflect the capitalisation of staff and contractor costs in IT development projects. The final phase of the India IT platform was successfully delivered and fully deployed in May 2024.

Information about major customers

Revenue from customers of one business partner in our India segment represented approximately £64,725,000 (H1 2023: £65,389,000; year ended 31 December 2023: £134,637,000) of the Group's total revenue.

4 Exceptional items

	6 months ended 30 June 2024 (Unaudited)			6 months ended 30 June 2023 (Restated*) (Unaudited)			Year ended 31 December 2023 (Restated*) (Audited)		
	Core £'000	**Legacy £'000**	**Total £'000**	Core £'000	Legacy £'000	Total £'000	Core £'000	Legacy £'000	Total £'000
Continuing operations									
Restructuring and closure costs	**67**	**308**	**375**	271	497	768	299	1,197	1,496
Onerous contracts		**(91)**	**(91)**	—	3,148	3,148	—	3,239	3,239
DBP charges	**213**	**—**	**213**	355	—	355	1,066	—	1,066
IT asset impairment	**—**	**—**	**—**	—	178	178	—	178	178
Exceptional charge included in operating profit	**280**	**217**	**497**	626	3,823	4,449	1,365	4,614	5,979
Tax on exceptional items	**—**	**—**	**—**	(53)	—	(53)	(56)	—	(56)
Total exceptional charge after tax for continuing operations	**280**	**217**	**497**	573	3,823	4,396	1,309	4,614	5,923
Discontinued operations									
Exceptional (gain)/charge from discontinued operations net of tax	**—**	**(1,877)**	**(1,877)**	—	1,179	1,179	—	2,240	2,240
Total exceptional (gain)/charge after tax	**280**	**(1,660)**	**(1,380)**	573	5,002	5,575	1,309	6,854	8,163

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

Total exceptional costs of £497,000 from continuing operations comprises:

- Restructuring and closure costs of £375,000 (H1 2023 restated: £768,000) which primarily relate to Legacy closure activities. Redundancy and associated costs have been recognised in UK Legacy and Central Functions. Restructuring costs include necessary retention provisions as part of the closure process.
- Onerous contract provision release of £91,000 (H1 2023 restated: £3,148,000 charge) is based on the latest estimates for the Legacy business.
- The Deferred Bonus Plan (DBP) charges of £213,000 (H1 2023: £355,000) relates to a share-based payment retention plan put in place to retain key EMC colleagues for the duration of the CMP. The DBP charges will cease on 31 December 2024.

5 Taxation

The tax charge is calculated by aggregating the tax arising in each jurisdiction based on estimated profits chargeable to corporation tax and withholding taxes arising in H1 2024 at the local statutory rate of tax. This has led to a tax charge on continuing operations of £1,256,000 (H1 2023 restated: £1,346,000; year ended 31 December 2023 restated: £1,869,000). These tax charges result in an effective tax rate (ETR) for continuing operations for the six months to 30 June 2024 of negative 171% (H1 2023 restated: negative 44%; year ended 31 December 2023 restated: negative 39%).

The ETR is reflective of the tax charges in our profitable markets in India and Turkey, which includes withholding taxes applied to funds repatriated from these operations which further increases the ETR. This is against losses in our Legacy Operations, Central Functions and Blink, which as yet is unable to recognise any tax relief against its losses. As Blink moves to profitability and the central costs reduce, this is expected to improve the ETR in the medium term. The ETR deterioration since H1 2023 reflects increased investment in Blink.

6 Discontinued operations

On 14 June 2024, the Group completed the sale of its 100% shareholding in CPP Italy SRL for a cash consideration of £434,000 (€512,000). Additionally, in line with IFRS 5 *Non–current assets held for sale and discontinued operation,* as at 30 June 2024, Spain and Portugal have met our accounting policy criteria to be classified as abandoned.

Therefore, these operations have been presented as discontinued.

Profit from discontinued operations comprises the following:

Six months ended 30 June 2024 (Unaudited)	**Italy £'000**	**Spain £'000**	**Total £'000**
Revenue	**687**	**53**	**740**
Cost of sales	**(309)**	**(2)**	**(311)**
Gross profit	**378**	**51**	**429**
Administrative expenses	**(317)**	**(647)**	**(964)**
Operating (loss)/profit	**61**	**(596)**	**(535)**
Analysed as:			
EBITDA	**98**	**(131)**	**(33)**
Depreciation and amortisation	**(37)**	**—**	**(37)**
Exceptional costs	**—**	**(465)**	**(465)**
Finance costs	**(1)**	**(2)**	**(3)**
Other gains and losses	**—**	**1,959**	**1,959**
Profit before taxation	**60**	**1,361**	**1,421**
Taxation	**—**	**—**	**—**
Profit after taxation	**60**	**1,361**	**1,421**
Profit on disposal	**383**	**—**	**383**
Total profit	**443**	**1,361**	**1,804**

Portugal had no result for the period.

Six months ended 30 June 2023 (Unaudited)	Italy £'000	Spain £'000	Portugal £'000	Total £'000
Revenue	941	1,822	122	2,885
Cost of sales	(412)	(514)	(60)	(986)
Gross profit	529	1,308	62	1,899
Administrative expenses	(429)	(2,043)	(118)	(2,590)
Operating (loss)/profit	100	(735)	(56)	(691)
Analysed as:				
EBITDA	156	590	(1)	745
Depreciation and amortisation	(56)	(58)	(3)	(117)
Exceptional costs	—	(1,267)	(52)	(1,319)
Finance costs	(2)	(6)	—	(8)
(Loss)/profit before taxation	98	(741)	(56)	(699)
Taxation	(7)	9	(1)	1
(Loss)/profit after taxation	91	(732)	(57)	(698)

6 Discontinued operations (continued)

Year ended 31 December 2023 (Unaudited)	Italy £'000	Spain £'000	Portugal £'000	Total £'000
Revenue	1,806	3,127	133	5,066
Cost of sales	(803)	(712)	(55)	(1,570)
Gross profit	1,003	2,415	78	3,496
Administrative expenses	(752)	(3,999)	(114)	(4,865)
Operating (loss)/profit	251	(1,584)	(36)	(1,369)

Analysed as:				
EBITDA	317	952	(16)	1,253
Depreciation and amortisation	(66)	(116)	(4)	(186)
Exceptional costs	—	(2,420)	(16)	(2,436)
Finance costs	(11)	(3)	—	(14)
(Loss)/profit before taxation	240	(1,587)	(36)	(1,383)
Taxation	(45)	(46)	—	(91)
(Loss)/profit after taxation	195	(1,633)	(36)	(1,474)

The Group has recognised a profit on the disposal of Italy in the current period:

	Total £'000 (Unaudited)
Proceeds	434
Net assets sold	(5)
Costs associated with disposal	(72)
Currency translation differences on disposal	26
Profit on disposal	383

On 15 February 2024, the Group completed its disposal of its equity investment in KYND Limited ("KYND") to V Acquisition Limited for a cash consideration of £2,651,000 and costs to sell of £20,000. This was classified as held for sale as at 31 December 2023 and had been revalued through 'other comprehensive income' to the fair value being sales price less costs to sell. As a result, there has been no gain or loss on disposal in H1 2024.

7 (Loss)/earnings per share

Basic and diluted (loss)/earnings per share (EPS) has been calculated in accordance with IAS 33 *Earnings per share*. Underlying (loss)/earnings per share has also been presented to give a better understanding of the performance of the business. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the EPS or increase the loss per share attributable to equity holders.

Six months ended 30 June 2024 (Unaudited) **(Loss)/earnings**	**Continuing operations £'000**	**Discontinued operations £'000**	**Total £'000**
(Loss)/earnings for the purposes of basic and diluted loss per share	**(2,148)**	**1,804**	**(344)**
Exceptional items (net of tax)	**497**	**(1,877)**	**(1,380)**
Loss for the purposes of basic and diluted underlying earnings per share	**(1,651)**	**(73)**	**(1,724)**

Loss attributable to Core and Legacy	**Core £'000**	**Legacy £'000**	**Continuing operations £'000**
Loss for the purposes of basic and diluted loss per share	**(1,486)**	**(662)**	**(2,148)**
Exceptional items (net of tax)	**280**	**217**	**497**
Loss for the purposes of basic and diluted underlying loss per share	**(1,206)**	**(445)**	**(1,651)**

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share and basic and diluted underlying earnings per share	**8,847**

(Loss)/earnings per share	**Continuing operations pence**	**Discontinued operations pence**	**Total Pence**
Basic and diluted (loss)/earnings per share	**(24.28)**	**20.39**	**(3.89)**
Basic and diluted underlying loss per share	**(18.66)**	**(0.83)**	**(19.49)**

	Core pence	**Legacy pence**	**Continuing operations Pence**
Basic and diluted loss per share	**(16.80)**	**(7.48)**	**(24.28)**
Basic and diluted underlying loss per share	**(13.63)**	**(5.03)**	**(18.66)**

7 (Loss)/earnings per share (continued)

Six months ended 30 June 2023 (Restated*) (Unaudited) Earnings/(loss)	Continuing operations £'000	Discontinued operations £'000	Total £'000
Loss for the purposes of basic and diluted (loss)/earnings per share	(4,605)	(698)	(5,303)
Exceptional items (net of tax)	4,396	1,179	5,575
Earnings/(loss) for the purposes of underlying basic and diluted earnings/(loss) per share	(209)	481	272

(Loss)/earnings attributable to Core and Legacy	Core £'000	Legacy £'000	Continuing operations £'000
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share	(1,236)	(3,369)	(4,605)
Exceptional items (net of tax)	573	3,823	4,396
(Loss)/earnings for the purposes of basic and diluted underlying (loss)/earnings per share	(663)	454	(209)

Number of shares	Number (thousands)
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share and basic and diluted underlying earnings/(loss) per share	8,846

Earnings/(loss) per share	Continuing operations Pence	Discontinued operations pence	Total pence
Basic and diluted loss per share	(52.07)	(7.88)	(59.95)
Basic and diluted underlying earnings/(loss) per share	(2.37)	5.44	3.07

	Core Pence	Legacy pence	Continuing operations pence
Basic and diluted loss per share	(13.96)	(38.11)	(52.07)
Basic underlying (loss)/earnings per share	(7.48)	5.11	(2.37)

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

7 (Loss)/earnings per share (continued)

Year ended 31 December 2023 (Restated*) (Unaudited) Earnings/(loss)	**Continuing operations £'000**	**Discontinued operations £'000**	**Total £'000**
Loss for the purposes of basic and diluted (loss)/earnings per share	(7,181)	(1,474)	(8,655)
Exceptional items (net of tax)	5,923	2,240	8,163
(Loss)/earnings for the purposes of basic and diluted underlying (loss)/earnings per share	(1,258)	766	(492)

(Loss)/earnings attributable to Core and Legacy	**Core £'000**	**Legacy £'000**	**Continuing operations £'000**
Loss for the purposes of basic and diluted loss per share	(3,304)	(3,877)	(7,181)
Exceptional items (net of tax)	1,309	4,614	5,923
(Loss)/earnings for the purposes of basic and diluted underlying (loss)/earnings per share	(1,995)	737	(1,258)

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share and basic and diluted underlying (loss)/earnings per share	8,846

(Loss)/earnings per share	**Continuing operations pence**	**Discontinued operations Pence**	**Total pence**
Basic and diluted loss per share	(81.18)	(16.66)	(97.84)
Basic and diluted underlying (loss)/earnings per share	(14.22)	8.66	(5.56)

	Core pence	**Legacy Pence**	**Continuing operations pence**
Basic and diluted loss per share	(37.35)	(43.83)	(81.18)
Basic and diluted underlying (loss)/earnings per share	(22.55)	8.33	(14.22)

* Restated to reflect Italy, Spain and Portugal as discontinued operations. See note 2.

8 Provisions

	Note	**30 June 2024**	30 June 2023	31 December 2023
		£'000	£'000	£'000
At 1 January		**3,465**	369	369
(Released)/charged to the income statement	4	**(91)**	3,313	3,388
Utilised in the period		**(855)**	(50)	(292)
Interest unwind		**68**	—	—
Total		**2,587**	3,632	3,465

At the balance sheet date there are provisions for onerous contracts due to the close down of the Legacy business. The provisions are expected to be settled as follows:

	30 June 2024	30 June 2023	31 December 2023
	£'000	£'000	£'000
Within one year	**1,576**	947	1,877
Outside of one year	**1,011**	2,685	1,588
Total	**2,587**	3,632	3,465

9 Share capital

Share capital at 30 June 2024 is £24,257,000 (30 June 2023: £24,256,000; 31 December 2023: £24,257,000).

The total number of ordinary shares in issue at 30 June 2024 is 8,847,145 of which 8,842,145 are fully paid and 5,000 are partly paid.

10 Reconciliation of operating cash flows

	6 months ended 30 June 2024 £'000 (Unaudited)	6 months ended 30 June 2023 £'000 (Unaudited)	Year ended 31 December 2023 £'000 (Audited)
Loss for the period	**(186)**	(5,071)	(8,099)
Adjustments for:			
Depreciation and amortisation	**1,672**	1,075	2,770
Share-based payment charge	**354**	355	1,134
Impairment loss on intangible assets	**—**	178	178
Impairment loss on property, plant and equipment	**—**	—	40
Loss on disposal of intangible assets	**—**	—	31
Loss on disposal of property, plant and equipment	**—**	2	24
Profit on disposal of discontinued operations	**(383)**	—	—
Other gains and losses	**(1,959)**	—	—
Effects of hyperinflation	**(207)**	(61)	(82)
Investment revenues	**(494)**	(429)	(749)
Finance costs	**225**	193	486
Income tax charge	**1,256**	1,345	1,960
Operating cash flows before movement in working capital	**278**	(2,413)	(2,307)
Decrease in inventories	**5**	68	78
Decrease/(increase) in contract assets	**259**	(1,361)	(1,259)
(Increase)/decrease in receivables	**(856)**	3,231	4,270
(Decrease)/increase in payables	**(4,881)**	(5,685)	832
(Decrease)/increase in contract liabilities	**(1,018)**	1,196	833
Decrease in insurance liabilities	**(77)**	(7)	(6)
(Decrease)/increase in provisions	**(946)**	3,263	3,096
Cash (used in)/from operations	**(7,236)**	(1,708)	5,537
Income taxes paid	**(1,405)**	(721)	(1,927)
Net cash (used in)/from operating activities	**(8,641)**	(2,429)	3,610

11 Related party transactions

Transactions with associated undertakings

Prior to the disposal of the Group's interest in KYND (see note 6), the Group incurred fees of £1,000 plus VAT (30 June 2023: £9,000 plus VAT; and year ended 31 December 2023: £10,000 plus VAT) for services rendered from KYND, which was payable under 14 day credit terms.

Transactions with related parties

There have been no related party transactions in the current period.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below:

	6 months ended 30 June 2024 £'000 (Unaudited)	6 months ended 30 June 2023 £'000 (Unaudited)	Year ended 31 December 2023 £'000 (Audited)
Short-term employee benefits	**613**	692	1,412
Post-employment benefits	**11**	10	20
Termination benefits	**—**	—	—
Share-based payments	**176**	187	593
	800	889	2,025

12 Events after the balance sheet date

On 9 September 2024, the Group completed its exit from Globiva for total cash consideration of £3.8 million (415.5 million rupees). The Group had originally agreed to a phased divestment over three-years for aggregate consideration of approximately £4.7 million (515.0 million rupees) which was subject to certain performance criteria and a maximum adjustment of plus or minus 10%.

Globiva's earnings outlook, due to a general slowdown in the Indian technology market, has deteriorated. At the request of the Globiva Founders the Group agreed to accelerate the disposal of its interest in Globiva, previously scheduled to complete in Q1 2027, and in accordance with the original agreement to apply the 10% reduction to price.

The revised consideration reflects the lower-end parameters of the original agreement and is net of the benefit accruing (a net present value adjustment) to the Group of receiving the cash consideration in full on completion rather than over a three-year period.

Globiva has not been treated as a discontinued operation at the balance sheet date. Excluding Globiva's results, the Group would have reported revenue of £81.0 million and EBITDA of £0.2 million from its continuing operations.