Ebiquity plc

Interim Results for the six months ended 30 June 2022

Refocused strategy, targeted acquisitions and performance enhancements support strong growth
Ebiquity plc ("Ebiquity" or the "Group"), a world leader in media investment analysis, announces interim results for the six months ended 30 June 2022 ("H1 2022").

Financial Highlights

Group	H1 2022	H1 2021	Change	
	£m	£m	£m	%
Revenue	**37.2**	**32.0**	**+5.2**	**16%**
Underlying Operating Profit [1]	**5.0**	**2.3**	**+2.7**	**117%**
Underlying Operating Profit Margin (%) [1]	**13.3%**	**7.1%**	**-**	**86%**
Underlying Profit before Tax [1]	**4.7**	**2.0**	**+2.7**	**135%**
Underlying Earnings per Share [1]	**2.8p**	**1.4p**	**+1.4p**	**100%**
Statutory Operating Loss	**(1.1)**	**(0.9)**	**(0.2)**	**-**
Statutory Loss before Tax	**(1.3)**	**(1.1)**	**(0.2)**	**-**
Statutory Loss per Share	**(3.4) p**	**(2.0)p**	**(1.4)p**	**-**

Note 1: Throughout these interim results, management presents alternative performance measures to explain further the movements in our business. These are not statutory financial measures. Further information can be found below.
Underlying operating profit is defined as the operating profit excluding highlighted items. These include share-based payments, amortisation of purchased intangibles and non-recurring items. Underlying profit before tax and earnings per share are calculated based on the underlying operating profit.

- Revenue increased by £5.2m (16%) and by £2.4m (7%) organically
- Underlying Operating Profit increased by 117%; by 79% organically
- Underlying Operating Profit margin almost doubled to 13.3% (2021: 7.1%)
- Acquisitions in the period contributed revenue of £2.8m and underlying operating profit of £0.9m
- Statutory Loss is after making accrual in period of £3.4m towards contingent consideration for Digital Decisions B.V payable in 2023 (based on its performance in 2021 and expected performance in 2022)
- Net bank debt of £12.9m with cash balances of £9.3m and undrawn bank facilities of £7.5m as at 30 June 2022

Operational Performance and Highlights

- Improved profitability in H1 across all regions and business units
- Significant growth from the Media Performance service line
- Revenue growth of 90% from Digital Media Solutions
- Reduced production costs leading to strong improvement in operating margin
- Major new assignments from Jaguar Land Rover, Pepsico, Virgin Media O2 and BMW

Outlook
- Full year results expected to be in line with market expectations

Nick Waters, CEO, commented:

"We have delivered a strong performance in the first half of the year, building on the momentum and progress made in 2021. Pleasingly, our operating profit increased organically by 79%, demonstrating our ability to drive earnings growth from within the business. In addition, the integration of the two transformative acquisitions that we made in the USA and Europe is progressing well and each business has made a positive contribution to these results.

Ebiquity is now in a much stronger position across all our geographies and services. Although we recognise that upward cost pressures in the wider economy may impact the business, we remain cautiously optimistic that our services will remain in demand as advertisers seek out independent scrutiny over the cost effectiveness of their media investments which becomes more important in difficult times.

While the extent of client demand for support in more challenging markets has yet to be fully tested, we believe Ebiquity, with an increasingly strong offer covering digital media together with the opportunities presented by our recent strategic developments, is well placed for long term sustained growth. We expect our full year results to be in line with the Board's expectations."

Details of presentations

The Executive Directors will be hosting a webcast presentation for analysts and investors at 10:00 BST today. If you would like to register, please contact phoebe.a.pugh@camarco.co.uk .

They will also be giving a presentation for investors via the Investor Meet Company platform on 26 September 2022. Investors can sign up to Investor Meet Company for free and add to meet Ebiquity plc via: https://www.investormeetcompany.com/ebiquity-plc/register-investor. Investors who already follow Ebiquity plc on the Investor Meet Company platform will automatically be invited.

Market abuse regulation

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/201 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service this inside information is now considered to be in the public domain.

The person responsible for arranging release of this announcement on behalf of the Company is Alan Newman, Chief Financial Officer and Chief Operating Officer of the Company.

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Chief Executive's Review

Overview

We have delivered a strong performance in the first half of the year, building on the momentum and progress made in 2021.

Group revenue has seen a 16% increase over the prior year with strong organic contributions from Europe and Asia Pacific and growth across our service lines as well as an initial contribution of £2.8 million from the businesses acquired in the period. The revenue growth contributed to a significant improvement in the underlying operating profit to £5.0 million which was up 117% on the previous year and in the underlying operating margin which almost doubled to 13.3% over the same period. Our existing business increased its revenue organically by 7% and underlying operating profit by 79% reflecting the benefit of growth in higher margin digital media solutions and robust cost management. Project-related costs fell by 11% and operating expenses growth in the existing business was restricted to 4% reflecting our continuing efficiency improvements.

What has been significant during the period is the resilience of the advertising markets which have largely remained buoyant during the first half of the year. Most industry sectors have been operating in line with expectations, with the automotive sector subdued relative to the FMCG sector, which remains strong. While there has been less agency selection activity than in 2021, which saw an increase in pent up demand following the pandemic affected 2020, we continued to see demand for our services as clients seek advice and support on how best to manage their advertising mix in a challenging environment where media price inflation is increasing.

During the period we also made two transformative acquisitions, Media Management LLC (MMi) in the US and MediaPath Network AB (MediaPath) in Europe. The acquisition in the US has provided us with scale in the world's largest advertising market and significantly increased our penetration of large US corporate advertisers. With the acquisition of MediaPath, we have a globally distributed business operating off a high quality, globally scaled, technology platform, providing us with a highly effective base from which to drive greater efficiency in the delivery of our services. In addition, we also made the small, tactical acquisition of Ford & Semple (now renamed Ebiquity Canada) to provide us with further scale in North America. The integration of all these acquisitions is proceeding well and they have together contributed £0.8 million to the underlying operating profit in the period.

As previously announced, we have been reviewing the future of our operation in Russia and have been in negotiations to divest our majority shareholding in it. To reflect this, an impairment provision has been made against its assets in the Group balance sheet.

Delivering on our strategy

Ebiquity's purpose is simple; we exist to help brand owners increase returns from their media investments and so improve business performance. To achieve this, our strategy is driven by four key areas – to develop higher value strategic relationships with more clients; to develop productised solutions for the digital market; to improve operating efficiency; and to increase scale in the US and Asia Pacific.

We are making good progress in delivering on our strategy.

Expanding our client universe

We have prioritised creating a universe of 'higher value strategic clients' and now work with 28 of the world's 30 leading advertisers, resulting in revenue growth for this group of 7% compared to the prior year. We have won several new clients including Brown and Forman (Jack Daniels) in the US, Pepsico in India and Virgin Media O2 in the UK as well as winning multinational agency selection mandates for Jaguar Land Rover and

BMW. It is pleasing to note that the number of clients buying two or more Service Lines, a key driver of our growth potential, is progressing well, in line with our expectations.

Expanding our product offering

We now have seven productised Digital Media Solutions in the market, helping to double revenue in this area compared to the prior year period to £2.9 million and maintaining its profit margin above 50%. Our targets of increasing the number of clients buying Digital Media Solutions products and the value of digital advertising monitored are both on plan while the metrics of increasing the number of digital impressions analysed and the number of countries served are both progressing ahead of plan. We are also working on two new solutions for Advanced TV and Retail Media and intend to pilot the Advanced TV product in the USA in Q4 2022. In addition, our Responsible Media Investment Product is being rolled out to a further nine markets following a successful pilot in the US and UK.

Creating a more efficient business

Creating a more efficient business is central to our strategy. Indeed, the primary strategic rationale behind acquiring MediaPath was the operating efficiency it would deliver. This integration is going to plan with all functional and technical aspects completed and we are now training our teams on the GMP365 platform which will help us achieve further cost synergies. We are also at the early stages of client on-boarding with a new Group proposition being developed to take to market. Our existing initiatives to improve our productivity continued to deliver benefits including an increase of 37% in the “productive hours” delivered by our Media Operations Centre in Madrid as a result of further transfer of work there from market units.

Growing our regional presence

We manage the business through four regions: North America, UK & Ireland, Continental Europe, and Asia Pacific together with a global Contract Compliance segment. Our priority is to increase scale in the US and Asia Pacific, while maintaining growth in Continental Europe and the UK. Both priority regions have delivered strong performances. North America, which has increased its scale with the acquisition of MMi, saw revenue growth of 90%. Asia Pacific, our fastest growing region organically, delivered growth of 38% with particularly strong performances in China and Southeast Asia and a good start in India following our launch there in Q3 2021. Continental Europe delivered an impressive performance, up 13% with strong contributions from France, Spain and Italy.

Operational metrics

We introduced a set of operational metrics to guide our strategic progress in 2021 and reported the 2021 values in the annual report as listed in the table below. The progress in this half year is also shown in the table.

Operational metric	Baseline measure December 2021	Progress in the period
No of clients buying two or more service lines	76 clients	On plan
No of clients buying one or more products from the new digital solutions portfolio	28 clients	On plan
Volume of digital impressions processed, analysed and reported on the platform	639 billion impressions	Ahead of plan
Value of digital advertising spend processed, analysed and reported on the platform	US$3.03 billion	On plan

Proportion of revenue relating to digital media *(for media performance and media management Service Lines)*	29%	Reduced following acquisitions
Number of countries served with new digital products	87	Ahead of plan

Outlook

Our positive momentum across the Group in the first half puts Ebiquity in a strong position to maintain progress as laid out in our plans.

While we recognise that the more challenging economic environment may impact our clients and their advertising spend over the next 12 months, we remain cautiously optimistic that demand for our services will continue as our independent scrutiny of the effectiveness of their media investments becomes even more important in difficult times. Inflationary cost pressures in the wider economy, especially relating to staff costs, may also affect our business but we expect our continuing improvement in operating efficiencies to help alleviate these.

Our increased scale in key global growth markets, higher quality revenues, fast growing digital offer and improving operational efficiency support continued opportunities for growth and margin enhancement.

We expect our results for the full year to be in line with market expectations

Segmental Review of Performance

Revenue Analysis

	Revenue			
	H1 22	**H1 21**	**Variance**	
	£m	**£m**	**£m**	**%**
Media	**32.5**	**26.8**	**5.7**	**21%**
Analytics and Tech	**4.7**	**5.2**	**(0.5)**	**(10%)**
Total	**37.2**	**32.0**	**5.2**	**16%**

Operating Profit Analysis

	Underlying Operating Profit				**Underlying Operating Profit Margin**	
	H1 22	**H1 21**	**Variance**		**H1 22**	**H1 21**
	£m	**£m**	**£m**	%	%	%
Media	**7.7**	**5.3**	**2.4**	**45%**	**24%**	**20%**
Analytics and Tech	**0.5**	**0.4**	**0.1**	**26%**	**11%**	**8%**
Unallocated costs	**(3.2)**	**(3.4)**	**0.2**	**(6%)**	**-**	**-**
Total	**5.0**	**2.3**	**2.7**	**117%**	**13%**	**7%**

Media

Media revenue increased by 21% from the prior year to £32.7 million, including an initial contribution of £2.8m from the three businesses acquired in the period, and by 11% organically. This reflected strong growth, as expected, in digital media solutions revenue generated from new products (e.g. Responsible Media Investment) and the core digital governance service as well as increased revenue from other services. In service line terms, our Media Performance services, which help clients to assess and optimise their media buying performance and which form the bulk of Media revenue, increased by 28% including the acquisitions.

Revenue from Media Management services increased by 8% which was a lower growth rate than the prior year as fewer advertisers conducted large scale agency selections.

Geographically, the highest growth in Media was in Asia Pacific where media revenue grew by 40%, driven by China and South-East Asia as we continued to expand our base among local, as well as international clients. US revenue increased overall by 90%, with contributions from the MMi and Forde and Semple acquisitions doubling our scale and by 26% organically. European revenue grew by 16%, building on multinational client wins in the previous year. In UK and Ireland, our most mature market, revenue grew by 4%.

Contract Compliance revenue (branded as FirmDecisions) decreased by 9% due largely to phasing of projects which this year is weighted more heavily into the second half.

Media segment profitability improved significantly as a result of the revenue growth, with underlying operating profit up by 45% to £7.7 million and the operating profit margin increasing to 24% from 20% in the comparable period. Although this result benefitted from the acquisitions, operating profit also grew well organically by £1.5 million (28%) reflecting the impact of higher margin digital media solutions as well as operating efficiencies.

Analytics and Tech

Overall revenue from Analytics and Tech decreased by 10% but its underlying profit increased by 26% and the operating margin improved from 8% to 11%. Within this, revenue from the Analytics Service Line, whose advanced analytical techniques help brands to plan and optimise their investment in media, reduced by 11% due in part to a more robust pricing policy which enabled it to keep profits stable on the lower revenue. Digital Balance, based in Australia, which optimises website performance, increased revenue by 27% and returned to profitability from being loss making in the prior year period. Revenue from the AdTech service which is now integrated with the Media service reduced by 20%.

Unallocated costs, which comprise corporate and support costs, reduced slightly by £0.2 million, in part due to the benefit of foreign exchange gains realised on debtor and creditor balances.

Financial Review

Revenue for the half year ended 30 June 2022 of £37.2 million was £5.2 million higher than the comparable period in 2021. This included an initial contribution of £2.8 million from the acquired businesses. Organically, revenue increased by £2.4 million and by 7%

Underlying operating profit (statutory operating profit excluding highlighted items) of £5.0 million increased by £2.7 million – up 117% from the prior year and by 79% excluding the acquired businesses. The underlying operating profit margin improved to 13% compared to 7% in the prior year.

Project related costs (which comprise external partner and production costs) decreased by 11% to £3.5 million from £4.0 million. This was due to more projects being served directly by Ebiquity's own offices including in Canada where Forde and Semple had previously been an external partner. Total underlying operating expenses, including cost of sales and administrative expenses, increased by 12% to £28.8 million from £25.8 million. This included £2.0 million added by the acquired businesses in the period. Within the existing business, total operating expenses increased organically by £0.9 million (4%) assisted by staff numbers being held static compared to the prior year.

There was an underlying profit before tax of £4.7 million compared to a profit of £2.0 million for the six months ended 30 June 2021. Net finance costs were £0.2 million - a reduction of £0.04 million (16%) compared to the prior year, due mainly to realised foreign exchange gains on intercompany loan balances, as bank interest costs remained stable.

The statutory operating loss increased to £1.1 million, from £0.9 million in the prior year. This reflected the increase in highlighted items (before tax) to £6.0 million from £3.2 million, of which the largest element was the accrual for the Digital Decisions post-date remuneration. There was a statutory loss before tax of £1.3 million, compared to £1.1 million in the prior year.

Highlighted items

Highlighted items after tax in the period totalled a charge of £5.6 million (2021: £3.0 million) and include the following:

- £3.4 million accrual for post-date remuneration payable relating to the acquisition of Digital Decisions B.V. (June 2021: £2.4 million)
- £1.7 million charge for acquisition integration and strategic costs
- £0.4 million relating to impairment in Ebiquity Russia
- £0.4 million for purchased intangible assets amortisation (June 2021: £0.5 million) and
- £0.2 million charge relating to share options (June 2021: £0.2 million).

The contingent consideration relating to Digital Decisions B.V. is being accounted for as post-date remuneration as payment is dependent upon the principal vendor remaining in employment with the Group. This will be payable in 2023 and the amount due will be calculated as six times the average profit generated in the two years ended 31 December 2022 from digital media products developed by the Digital Innovation Centre, less the initial consideration of £0.7m paid in January 2020. The current estimate of the amount payable in 2023 is £14.0 million which is being accrued on a straight-line basis over the two and a half years to which it relates, less the discount to fair value. The net balance accrued as at 30 June 2022 is £11.4 million. This amount will be revised at each half year, based on the latest projections, with any adjustments being treated as a highlighted item. This consideration is payable in a mixture of cash and/or Ebiquity shares which the Company will determine at the time of payment, having regard to its overall capital structure, debt facilities and the vendor's option to request that a certain proportion be paid in cash.

The acquisition, integration, and strategic costs of £1.7 million (June 2021: £0.4m) relate to professional fees incurred for the acquisitions in the period, the associated equity capital raise in April 2022, and the revised bank loan facility agreed in March 2022.

Taxation

The underlying tax charge for the period is £2.0 million compared to £0.8 million in the prior year. This is in line with the increase in underlying profit before tax in the current period. The tax charge included in highlighted items of £0.03 million (2021: charge of £0.3 million) arose due to the deferred tax impact of share options lapsed in the period and the reduction in intangible asset net book value.

Earnings per share

Underlying basic earnings per share increased by 100% to 2.8p compared to 1.43p in the prior period. Underlying diluted earnings per share increased by 100% to 2.8p from 1.41p. There was a statutory basic loss per share of 3.38p (2021: loss per share of 2.04p). The diluted loss per share was the same as the basic figure in both reporting periods.

Dividend

No dividend has been declared for the six months ended 30 June 2022 (2021: £nil).

Equity

During the six months to 30 June 2022, the number of ordinary shares in issue increased by 37,426,996 to 120,155,886 (31 December 2021: 82,728,890). 28,301,886 shares were issued in the share placing made in April 2022 to provide funds for the acquisitions of MMi and MediaPath and 8,656,903 shares were issued directly to the vendors as part of the consideration. A further 468,207 shares were issued upon the exercise of employee share options.

Cash conversion

	Six months ended 30 June 2022	Six months ended 30 June 2021
	£'000	£'000
Statutory cash from operations	**(3,415)**	2,886
Underlying cash from operations	**(1,648)**	3,399
Underlying operating profit/(loss)	**4,960**	2,282

Underlying cash from operations represents the cash flows from operations excluding the impact of highlighted items. There was an underlying net cash outflow from operations of £1.6 million in the period (2021: £3.4 million inflow). This reflected a working capital outflow of £8.8 million (2021: inflow of £4.5 million) with trade and other receivables increasing by £5.8 million and trade and other payables reducing by £3.0 million. The increase in receivables was due partly to an increase in accrued income arising from the phasing of billing agreed with clients and to transitional integration effects of re-assigning MMi's client agreements to Ebiquity Inc. In the second half of the year, it is expected that the normal level of cash generation will resume.

Net debt and banking facilities	As at 30 June 2022	As at 30 June 2021
	£'000	£'000
Cash and cash equivalents net of bank overdrafts[1]	**9,273**	9,268
Bank debt	**(22,500)**	(19,000)
Prepaid loan arrangement fees	**344**	128
Bank net debt	**(12,883)**	(9,604)
US PPP Loan [2]	**-**	(724)
Net debt	**(12,883)**	(10,328)

[1] Includes restricted cash of £1,2 million held in Ebiquity Russia. [2]This represented a loan received under the US Paycheck Protection Program. Loan forgiveness was applied for in relation to this balance and was granted in August 2021. Therefore, this was treated as a grant rather than a loan and released to the income statement in H2 2021.

Statement of financial position and net assets

Net assets at 30 June 2022 were £41.9 million, an increase of £18.9 million since 31 December 2021, due in part to the acquisitions and associated increase in share capital.

Net current assets at 30 June 2022 totalled £7.6 million. These increased by £1.6 million from 31 December 2021 with current assets up by £5 million offset by an increase in current liabilities of £3.4 million.

Debtor days increased to 81 days in the period compared to 61 days as at 31 December 2021 due mainly to a higher level of billing in the latter part of H1 2022, compared to the usual pattern, as referred to above. This debtor level is expected to reduce during the second half of the year as payments are received from clients for invoices issued towards the end of the first half.

Alternative Performance Measures

In these results we refer to 'underlying' and 'statutory' results, as well as other non-GAAP Alternative Performance Measures ("APMs"). Underlying results are not intended to replace statutory results but remove the impact of highlighted items in order to provide a better understanding of the underlying performance of the business. The APMs are consistent with how business performance is measured internally by the Group.

Alternative Performance Measures used by the Group as defined in the Interim Statement are:

- Net revenue
- Organic growth
- Underlying operating profit
- Underlying operating margin
- Underlying profit before tax
- Underlying effective rate of tax
- Underlying earnings per share
- Underlying cash generated from operations, and
- Underlying operating cash flow conversion.

Net revenue is the revenue after deducting external production costs.

Organic growth is defined as growth in the existing business excluding the contribution from acquisitions made in the period.

Underlying profit is not recognised under IFRS and may not be comparable with underlying profit measures used by other companies. Underlying operating profit is defined as the operating profit excluding highlighted items. Underlying profit before tax and earnings per share are calculated based on the underlying operating profit

Highlighted items comprise non-cash charges and non-recurring items which are highlighted in the consolidated income statement as their separate disclosure is considered by the Directors to be relevant in understanding the underlying performance of the business. The non-cash charges include share option charges and amortisation of purchased intangibles. The non-recurring items include the costs associated with potential and completed acquisitions and disposals, adjustments to the estimates of contingent consideration on acquired entities, asset impairment charges, management restructuring and other significant one-off items. Costs associated with acquisition identification and early-stage discussions with acquisition targets are reported in underlying administrative expenses. Further details of highlighted items are set out within the financial statements and the notes to the financial statements.

Underlying cash generated from operations is defined as the cash generated from operations excluding the cash movements relating to the highlighted items. The calculation for this period is set out below:

	6 months to 30 June 2022	6 months to 30 June 2021
	£'000	£'000
Cash generated from operations	(3,415)	2,886
Highlighted Items: cash items	1,640	512
Movement in payables relating to highlighted items	128	401
Underlying cash generated from operations	(1,648)	3,399

Interim Consolidated Income Statement
for the six months ended 30 June 2022

	Note	**Unaudited 6 months ended 30 June 2022** Before highlighted items £'000	**Unaudited 6 months ended 30 June 2022** Highlighted items (note 3) £'000	**Unaudited 6 months ended 30 June 2022** Total £'000	Unaudited 6 months ended 30 June 2021 Before highlighted items £'000	Unaudited 6 months ended 30 June 2021 Highlighted items (note 3) £'000	Unaudited 6 months ended 30 June 2021 Total £'000
Revenue	2	**37,245**	—	**37,245**	32,009	—	32,009
Project-related costs		**(3,520)**	—	**(3,520)**	(3,963)	—	(3,963)
Net revenue		**33,725**	—	**33,725**	28,046	—	28,046
Cost of sales		**(15,776)**	—	**(15,776)**	(13,047)	—	(13,047)
Gross profit		**17,949**	—	**17,949**	14,999	—	14,999
Administrative expenses	3	**(12,989)**	**(6,043)**	**(19,032)**	(12,717)	(3,153)	(15,870)
Operating profit/(loss)		**4,960**	**(6,043)**	**(1,083)**	2,282	(3,153)	(871)
Finance income		**40**	**—**	**40**	10	—	10
Finance expenses		**(506)**	**—**	**(506)**	(448)	—	(448)
Foreign exchange		**246**	**—**	**246**	175	—	175
Net finance costs		**(220)**	**—**	**(220)**	(263)	—	(263)
Profit/(loss) before taxation		**4,740**	**(6,043)**	**(1,303)**	2,019	(3,153)	(1,134)
Taxation (charge)/credit		**(2,004)**	**28**	**(1,976)**	(761)	283	(478)
Profit/(loss) for the period		**2,736**	**(6,015)**	**(3,279)**	1,258	(2,870)	(1,612)
Attributable to:							
Equity holders of the parent		**2,715**	**(6,015)**	**(3,300)**	1,180	(2,868)	(1,688)
Non-controlling interests		**21**	**—**	**21**	78	(2)	76
		2,736	**(6,015)**	**(3,279)**	1,258	(2,870)	(1,612)
Earnings per share-continuing operations							
Basic	4	**2.78p**		**(3.38)p**	1.43p		(2.04)p
Diluted	4	**2.75p**		**(3.38)p**	1.41p		(2.04)p

Interim Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2022

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000
(Loss) for the period	**(3,279)**	(1,612)
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of overseas subsidiaries	**(418)**	(704)
Total other comprehensive (expense)/income for the period	**(418)**	(704)
Total comprehensive expense for the period	**(3,697)**	(2,316)
Attributable to:		
Equity holders of the parent	**(3,718)**	(2,392)
Non-controlling interests	**21**	76
	(3,697)	(2,316)

Interim Consolidated Statement of Financial Position
as at 30 June 2022

	Note	Unaudited as at 30 June 2022 £'000	Audited as at 31 December 2021 £'000
Non-current assets			
Goodwill	5	44,459	28,172
Other intangible assets	6	15,564	4,528
Property, plant and equipment		1,514	1,512
Right of use assets		6,007	4,542
Lease receivables		91	155
Deferred tax asset		1,290	1,388
Total non-current assets		**68,925**	40,297
Current assets			
Trade and other receivables		30,645	21,934
Lease receivables		281	146
Cash and cash equivalents	7	9,273	13,134
Total current assets		**40,199**	35,214
Total assets		**109,124**	75,511
Current liabilities			
Trade and other payables		(5,142)	(6,525)
Accruals and contract liabilities		(24,725)	(19,350)
Financial liabilities	8	96	59
Current tax liabilities		(1,122)	(374)
Provisions		(13)	—
Lease liabilities		(1,294)	(2,566)
Deferred tax liability		(394)	(390)
Total current liabilities		(32,594)	(29,146)
Non-current liabilities			
Financial liabilities	8	(24,436)	(17,960)
Provisions		(470)	(493)
Lease liabilities		(6,109)	(3,825)
Deferred tax liability		(3,654)	(1,083)
Total non-current liabilities		**(34,669)**	(23,361)
Total liabilities		**(67,263)**	(52,507)
Total net assets		**41,861**	23,004
Equity			
Ordinary shares	11	30,039	20,682
Share premium		10,863	255
Other reserves		6,566	4,572
Accumulated losses		(5,897)	(2,774)
Equity attributable to the owners of the parent		**41,571**	22,735
Non-controlling interests		290	269
Total equity		**41,861**	23,004

Interim Consolidated Statement of Changes in Equity
for the six months ended 30 June 2022

	Ordinary shares	Share premium	Other reserves	Accumulated Losses	Total	Non—controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 December 2020	**20,646**	**255**	**5,461**	**3,942**	30,304	**442**	30,746
(Loss)/profit for the period	—	—	—	(1,688)	(1,688)	76	(1,612)
Other comprehensive income	—	—	(704)	—	(704)	—	(704)
Total comprehensive income/(expense) for the period	**—**	**—**	**(704)**	**(1,688)**	**(2,392)**	**76**	**(2,316)**
Shares issued for cash	—	—	—	—	—	—	—
Share options credit	—	—	—	64	64	—	64
Dividends paid to shareholders	—	—	—	—	—	(93)	(93)
30 June 2021 (unaudited)	**20,646**	**255**	**4,757**	**2,318**	**27,976**	**425**	**28,401**
(Loss)/profit for the period	—	—	—	(5,345)	(5,345)	39	(5,306)
Other comprehensive expense	—	—	(186)	—	(186)	—	(186)
Total comprehensive (expense)/income for the period	**—**	**—**	**(186)**	**(5,345)**	**(5,530)**	**39**	**(5,492)**
Shares issued for cash	36	—	—	(3)	34	—	34
Share options credit	—	—	—	256	256	—	256
Dividends paid to non—controlling interests	—	—	—	—	—	(195)	(195)
31 December 2021	**20,682**	**255**	**4,572**	**(2,774)**	**22,735**	**269**	**23,004**
(Loss)/profit for the period	—	—	—	(3,300)	(3,300)	21	(3,279)
Other comprehensive (expense)	—	—	418	—	418	—	418
Total comprehensive (expense)/income for the period	**—**	**—**	**418**	**(3,300)**	**(2,882)**	**21**	**(2,861)**
Shares issued for cash	9,240	10,608	—	(30)	19,818	—	19,818
Share options charge	117	—	—	207	324	—	324
Acquisitions	—	—	1,576	—	1,576	—	1,576
30 June 2022 (unaudited)	**30,039**	**10,863**	**6,566**	**(5,897)**	**41,571**	**290**	**41,861**

Interim Consolidated Cash Flow Statement
for the six months ended 30 June 2022

	Note	Unaudited 6 months ended 30 June 2022 £'000s	Unaudited 6 months ended 30 June 2021 £'000s
Cash flows from operating activities			
Cash generated from operations	10	(3,415)	2,886
Finance expenses paid		(232)	(295)
Finance income received		35	3
Income taxes paid		(915)	(1,071)
Net cash from operating activities		**(4,527)**	**1,523**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(16,525)	—
Payments to acquire non-controlling interests		—	(1,291)
Payment of contingent consideration		—	(123)
Purchase of property, plant and equipment		(194)	(50)
Purchase of intangible assets		(93)	(579)
Net cash flow from investing activities		**(16,812)**	**(2,043)**
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		14,360	—
Proceeds from bank borrowings		4,500	—
Bank loan fees paid		(300)	(36)
Proceeds from government borrowings		—	—
Repayments of lease liabilities		(1,607)	(897)
Dividends paid to non—controlling interests		(138)	(92)
Net cash flow from financing activities		**16,815**	**(1,025)**
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(4,524)**	**(1,545)**
Cash, cash equivalents and bank overdrafts at beginning of period (as at 30 June 2022)		**13,134**	11,121
Effect of exchange rate changes on cash and cash equivalents		**662**	(308)
Cash, cash equivalents and bank overdrafts at end of period	7	**9,273**	**9,268**

Notes to the interim financial statements for the six months ended 30 June 2022

1. Accounting Policies

Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'. These interim financial statements should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2021, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006.

The condensed consolidated interim financial statements have been prepared on a going concern basis. The Group meets its day-to-day working capital requirements through its cash reserves and borrowings, described in notes 7 and 8. As at 30 June 2022, the Group had cash balances of £9,272,809, (including restricted cash of £1,152,680) and undrawn bank facilities available of £7,500,000, and was within its banking covenants.

During the period, the Group continued to trade within the limits of its banking facility and associated covenants. In March 2022, this facility was increased and extended to provide a total available of £30 million, initially for a period of 3 years to March 2025 and extendable for up to a further two years. Details of the facility terms and covenants applying are set out in note 8 below.

In assessing the going concern status of the Group and Company, the Directors have considered the Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the Group's cash flows, liquidity, and bank facilities. The Directors have prepared a model to forecast covenant compliance and liquidity to 31 December 2023 that includes a base case and scenarios to form a severe but plausible downside case.

For the purposes of this model, the terms of the new facility including its covenant tests have been applied with effect from the quarter ending 30 June 2022.

The base case assumes growth in revenue and EBITDA based on the Group's budget for the year ended 31 December 2022 and management projections for the year ended 31 December 2023. The severe but plausible case assumes a downside adjustment to revenue of 6.6% throughout the period with no reductions in operating costs. Under both of these cases, there is headroom on covenant compliance throughout the going concern period.

The Directors consider that the Group and Company will have sufficient liquidity within existing bank facilities, totalling £30 million, to meet its obligations during the next 12 months and hence consider it appropriate to prepare the financial statements on a going concern basis.

Following the Russian invasion of Ukraine, the Group has been reviewing the future of its subsidiary in Russia (Ebiquity Russia OOO) and has been in negotiations with a view to divesting its 75.01% shareholding in it. In view of the uncertainty regarding this operation, an impairment provision of £365,000 has been made against the value of its assets in the Group balance sheet. Its cash balances are also deemed to be restricted cash. Details are provided in notes 3 and 7.

New Accounting Standards issued but not yet applied

The following new standards have been published that are mandatory to the Group's future accounting periods but have not been adopted in these financial statements:

- Property, Plant and Equipment: Proceeds before intended use – amendments to IAS 16
- Onerous Contracts Cost of Fulfilling a Contract - amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020 Cycle effective on or after 1 January 2022
- Classification of Liabilities as Current or Non-current –Amendments to IAS 1 1 January 2023 (deferred from 1 January 2022)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 effective on or after 1 January 2023
- Definition of Accounting Estimates– Amendments to IAS 8 effective on or after 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective on or after 1 January 2023
- Sale or contribution of assets between an investor and its associate or joint venture –Amendments to IFRS 10 and IAS 28 effective on or after 1 January 2023

The adoption of the standards listed above is not expected to significantly affect future periods.

2. Segmental reporting

In accordance with IFRS 8, the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Group reports its results in two business practices (Media and Analytics & Tech), as this most accurately reflects the way the Group is being managed.

The Executive Directors are the Group's chief operating decision-makers. They assess the performance of the operating segments based on operating profit before highlighted items. This measurement basis excludes the effects of expenditure such as restructuring costs, purchased intangible amortisation, and equity-settled share-based payments from the operating segments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The segment information provided to the Executive Directors for the reportable segments for the period ended 30 June 2022 is as follows:

Unaudited 6 months ended 30 June 2022

	Media £'000	**Analytics & Tech £'000**	**Reportable Segments £'000**	**Unallocated £'000**	**Total £'000**
Revenue	32,519	4,726	37,245	—	37,245
Operating profit/(loss) before highlighted items	7,640	544	8,184	(3,224)	4,960

Unaudited 6-month period ended 30 June 2021

	Media £'000	Analytics & Tech £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	26,810	5,199	32,009	—	32,009
Operating profit/(loss) before highlighted items	5,274	431	5,705	(3,423)	2,282

A reconciliation of segment operating profit/(loss) before highlighted items to total (loss) before tax is provided below:

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021
	£'000	£'000
Reportable segment operating profit before highlighted items	8,184	5,705
Unallocated costs:		
Staff costs	(2,138)	(2,010)
Property costs	(560)	(292)
Exchange rate movements	313	(172)
Other administrative expenses	(839)	(949)
Operating profit before highlighted items	4,960	2,282
Highlighted items (note 3)	(6,043)	(3,153)
Operating (loss)	(1,083)	(871)
Net finance costs	(220)	(263)
(Loss) before tax	(1,303)	(1,134)

3. Highlighted items

Highlighted items comprise items that are highlighted in the income statement because separate disclosure is considered relevant in understanding the underlying performance of the business.

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021
	£'000	£'000
Share option charge	**190**	164
Amortisation of purchased intangibles	**395**	549
Impairment of Ebiquity Russia OOO	**365**	-
Post-acquisition remuneration charges contingent on performance	**3,436**	2,420
Acquisition, integration, and strategic costs	**1,657**	20
Total highlighted items before tax	**6,043**	3,153
Taxation (credit)/charge	**(28)**	(283)
Total highlighted items after tax	**6,015**	2,870

Share option charges include the non-cash IFRS 2 charge of £207,000 (June 2021: charge of £64,000) along with the cash element in relation to the exercising of share options, a credit of £17,000 (June 2021: charge of £100,000).

Impairment of Ebiquity Russia OOO comprises a provision of £287,000 against the Group's share (75%) of the total assets excluding cash and goodwill impairment of £78,000.

Post-acquisition remuneration charges contingent on performance of £3,436,445 (June 2021: £2,420,000) relate to the accrual in the period for post-date remuneration for the acquisition of Digital Decisions B.V. due to be paid in April 2023. The table below shows the movement in the post-date remuneration accrual in the current period:

	£'000
Charged to the income statement	**3,474**
Discounting credited to the income statement	**(38)**
At 30 June 2022	**3,436**

This contingent consideration is payable based on the performance in the two years ended 31 December 2022. This will be calculated as 6 times the average profit generated in those two years from digital media products developed by the Digital Innovation Centre, less the initial consideration of £700,000 paid in January 2020.

Payment of the deferred contingent consideration is dependent upon the principal vendor remaining in employment with the Group. Therefore, as required under IFRS 3, this payment is to be accounted for as post-date remuneration with the total amount expected to be payable in 2023 being accrued on a straight-line basis over the earn-out period. The current estimate of the amount expected to be payable in 2023 is £14.0 million of which 83%, £11.8 million has been accrued as at 30 June 2022. Discounting of £0.5m has been applied and the resulting fair value accrual is £11.36m.

This consideration is payable in a mixture of cash and/or Ebiquity shares, with the mix to be determined by Ebiquity, subject to the vendor's option to request that a certain proportion be paid in cash.

This amount will be revised at each half year, based on the latest projections, with any adjustments being treated as a highlighted item.

The acquisition, integration, and strategic costs of £1,657,000 (June 2021: £401,000) include professional fees incurred for the acquisitions made in the period, the associated equity capital raise in April 2022 and the revised bank loan facility agreed in March 2022. These costs comprised:

	£'000
Share capital placing	763
Acquisition of MMi	289
Acquisition of Media Path	409
Bank facility agreement	183
Other	13
Total	**1,657**

4. Earnings per share

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

	Unaudited 6 months ended 30 June 2022 £'000	Unaudited 6 months ended 30 June 2021 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**(3,300)**	(1,688)
Adjustments:		
Impact of highlighted items (net of tax) [1]	**6,015**	2,868
Earnings for the purpose of underlying earnings per share	**2,715**	1,180

Number of shares:		
The weighted average number of shares during the period		
– basic	**97,616,982**	82,583,254
– dilutive effect of share options	**1,247,599**	828,817
– diluted	**98,864,580**	83,412,071
Basic (loss) per share [2]	**(3.38)p**	(2.04)p
Diluted (loss) per share [3]	**(3.38)p**	(2.04)p
Underlying basic earnings/(loss) per share [4]	**2.78p**	1.43p
Underlying diluted earnings/(loss) per share [5]	**2.75p**	1.41p

[1] Highlighted items (see note 3), stated net of their total tax and non-controlling interest impact.

[2] Basic earnings per share are calculated by dividing the profit attributable to shareholders by the basic average number of shares

[3] Diluted loss per share are calculated by dividing the profit attributable to shareholders by the basic average number of shares excludes the dilutive impact of share options.

[4] Underlying basic earnings per share are calculated by dividing the underlying profit attributable to shareholders by the basic average number of shares

[5] Underlying diluted earnings per share are calculated by dividing the underlying profit attributable to shareholders by the basic average number of shares and also including the dilutive impact of share options

5. Goodwill

	£'000
Cost	
At 1 January 2022	37,304
Acquisitions[1]	15,995
Foreign exchange differences	1,065
At 30 June 2022	**54,364**
Accumulated impairment	
At 1 January 2022	(9,132)
Impairment	(78)
Foreign exchange differences	(695)
At 30 June 2022	**(9,905)**
Net book value	
At 30 June 2022	**44,459**
At 31 December 2021	28,172

[1] Provisional Goodwill of £705,795 has been recognised on the acquisitions of Forde and Semple, £8,545,000 on the acquisition of Media Path, and £6,744,295 on the acquisition of MMi in the current year. Further details in note 12.

6. Other intangible assets

	Capitalised development costs £'000s	Computer software £'000s	Purchased intangible assets [1] £'000s	Total intangible assets £'000s
Cost				
At 1 January 2022	4,899	2,521	16,263	23,683
Additions	164	26	—	190
Acquisitions [2]	4,803	—	10,002	14,805
Impairment	—	(19)	—	(19)
Foreign exchange	42	27	390	459
At 30 June 2022	**9,908**	**2,555**	**26,655**	**39,118**

Amortisation				
At 1 January 2022	(2,022)	(2,325)	(14,808)	(19,155)
Charge for the period [3]	(475)	(96)	(395)	(966)
Acquisitions [2]	(3,063)	—	—	(3,063)
Impairment	—	15	—	15
Foreign exchange	—	(27)	(358)	(385)
At 30 June 2022	**(5,560)**	**(2,433)**	**(15,561)**	**(23,554)**
Net book value				
At 30 June 2022	**4,348**	**122**	**11,094**	**15,564**
At 31 December 2021	2,877	196	1,455	4,528

[1] Purchased intangible assets consist principally of customer relationships with a typical useful life of three to 10 years.

[2] Purchased intangibles of £1,441,701 were recognised on the acquisition of MMi and £8,560,000 on the acquisition of Media Path. Capitalised development includes £1,659,770 for software acquired from MMi. Further details in note 12.

[3] Amortisation is charged within administrative expenses to write off the cost of the intangible assets over their estimated useful lives. The amortisation of purchased intangible assets is included as a highlighted administrative expense.

7. Cash, cash equivalents, bank overdrafts and restricted cash

Cash, cash equivalents, and bank overdrafts include the following for the purposes of the cash flow statement:

	30 June 2022 £'000	31 December 2021 £'000
Cash and cash equivalents	**8,120**	13,134
Restricted cash[1]	**1,153**	-
Cash, cash equivalents and bank overdrafts	**9,273**	13,134

[1]Cash and cash equivalents of £1.2 million are held in Ebiquity Russia OOO with restrictions on remittances to certain countries. These balances may not be readily available to the wider Group but can be used to meet Ebiquity Russia OOO's obligations within Russia as they fall due.

8. Financial liabilities

	30 June 2022 £'000	31 December 2021 £'000
Current		
Loan Fees[1]	**(160)**	(59)
Deferred Consideration[2]	**64**	—
	(96)	(59)
Non-Current		
Bank borrowings	**22,500**	18,000
Loan Fees[1]	**(185)**	(40)
Deferred Contingent consideration[3]	**2,121**	—
	24,436	17,960
Total financial liabilities	**24,340**	17,901

[1] Loan fees were payable on amending the banking facility and are being recognised in the income statement on a straight-line basis until the maturity date of the facility in September 2025. [2] Deferred consideration relates to the acquisition of Forde and Semple. [3]Deferred contingent consideration relates to the acquisition of MMi.

	Bank borrowings £'000	Deferred Consideration £'000	Total £'000
At 1 January 2022	**17,901**	**—**	**17,901**
Paid	(300)	—	**(300)**
Recognised on acquisition	—	2,184	**2,184**
Charged to income statement	55	—	**55**
Borrowings	4,500	—	**4,500**
At 30 June 2022	**22,156**	**2,184**	**24,340**

All bank borrowings are held jointly with Barclays and NatWest. The current revolving credit facility ("RCF") facility was agreed in March 2022 and runs for a period of 3 years to March 2025, extendable for up to a further two years with a total commitment of £30 million. £22.5 million had been drawn as at 30 June 2022 (2021: £19 million). Under this agreement, annual reductions in the facility of £1.25 million will apply from June 2023. The remainder of any drawings is repayable on the maturity of the facility. The facility may be used for deferred consideration payments on past acquisitions, to fund future potential acquisitions, and for general working capital requirements. The quarterly covenants to be applied from June 2022 onwards are: interest cover > 4.0x; adjusted leverage <2.5x and adjusted deferred consideration leverage < 3.5x. There is no longer a minimum lending covenant.

The previous facility which was in place up to March 2022 comprised a revolving credit facility ('RCF') of £23 million plus £1 million available as an overdraft for working capital purposes. The covenants applying to it in the three months to 31 March 2022 were interest cover > 4.0, adjusted leverage covenant initially at < 4.0, increasing to < 4.25 and again to < 4.5 in March 2022.

Loan arrangement fees accrued in the period of £128,000 (2021: £99,000) are offset against the term loan and are being amortised over the period of the loan. £59,000 of loan arrangement fees has been included within creditors due within one year and the balancing amount of £69,000 has been included within creditors due after more than one year.

The facility bears variable interest at Barclays Bank SONIA rate plus a margin ranging from 2.60% to 3.00%, depending on the Group's net debt to EBITDA ratio. During the first six months of the facility, the margin is fixed at 3.0%

The undrawn amount of the revolving credit facility is liable to a fee of 40% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving five business days' notice.

All amounts owing to the bank are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such, a composite guarantee has been given by all significant subsidiary companies in the UK, USA, Australia, Germany, Denmark and Sweden.

Deferred consideration represents additional amounts that are expected to be payable for acquisitions made by the Group and are held at fair value at the statement of financial position date. Details are given in Note 12. The total of £2,184,000 includes £2,120,000 contingent consideration payable for MMi acquired in April 2022 and £64,000 deferred consideration for Forde and Semple acquired in January 2022.

9. Dividends

No dividend was paid in respect of the year ending 31 December 2021. No dividend is being declared for the six months ended 30 June 2022. Dividends were paid to non-controlling interests as shown in the consolidated statement of changes in equity.

10. Cash generated from operations

	Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021
	£'000	£'000
(Loss) before taxation	**(1,303)**	(1,134)
Adjustments for:		
Depreciation	**1,369**	1,295
Amortisation (note 6)	**965**	1,116
Gain on disposal	**4**	4
Unrealised foreign exchange gain	**(38)**	343
Impairment of goodwill & Intangibles	**365**	—
Share option charge (note 3)	**207**	64
Finance income	**(35)**	(10)
Finance expenses	**506**	448
Contingent consideration revaluations	**3,436**	2,429
	5,476	4,555
(Increase)/decrease in trade and other receivables	**(5,835)**	(665)
(Decrease) in trade and other payables (including accruals and contract liabilities)	**(3,046)**	(1,004)
Movement in provisions	**(10)**	—
Cash generated from operations	**(3,415)**	2,886

11. Share Capital

	Number of shares	**Nominal value £'000**
Allotted, called up, and fully paid		
At 31 December 2020 – ordinary shares of 25p	82,583,254	20,646
Share options exercised	145,636	36
At 31 December 2021 – ordinary shares of 25p	82,728,890	20,682
Shares issued	36,958,789	9,240
Share options exercised	468,207	117
At 30 June 2022 – ordinary shares of 25p	120,155,886	30,039

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends).

During the period, 8,656,903 shares were issued to the vendors for the acquisition of MMi (1,737,261 shares) and Media Path (6,919,642 shares), and 28,301,886 were issued in the share capital placing completed on 21 April 2022 to provide funds for these acquisitions.

12. Acquisitions

On 29 January 2022, the Group acquired Forde and Semple Media Works, the leading media performance consultancy in Canada, for a total consideration of CAD$1.3 million (£0.8 million), of which CAD$1.2 million (£0.7 million) was paid on completion and CAD$0.1 million (£0.06 million) was deferred for one year. Forde and Semple had revenues of CAD$1.1m in the financial year ended 31 January 2021 and net assets of CAD$0.4 million (£0.2 million) on completion.

On 4 April 2022, the Group acquired Media Management, LLC ("MMi"), a US-based media audit specialist, for an initial consideration of US $8.0 million (£6.1 million) with a deferred contingent consideration element payable in 2025. 84% of the initial consideration (US$6.7 million/£5.1 million) was paid in cash and 16% (US$1.3 million /£1.0 million), was applied by the vendors to subscribe for 1,737,261 Ebiquity ordinary shares. The contingent consideration will be based on 1.0 times adjusted earnings before interest and tax of the combined Ebiquity US and MMi businesses reported for the year ending 31 December 2024. This has been estimated to be US4.0 million /£3.0 million. 80% of this will be payable directly in cash to the vendors and 20% will be applied by the vendors to subscribe for Ebiquity ordinary shares.

On 22 April 2022, the Group acquired Media Path Network AB (“Media Path”), a Swedish-based multi-national media consultancy, for a consideration of £15.5 million. 75% (£11,625,000) was paid in cash and 25% (£3,875,000) was paid by the issue of 6,919,642 new Ordinary Shares to the Media Path vendors.

A provisional assessment of fair value of the acquired net assets of each company has been made as at 30 June 2022 which will be finalised in the financial statements for the year ending 31 December 2022.

Forde and Semple Media Works

The fair value of the purchase consideration for the acquisition of Forde and Semple is as follows:

	£’000
Cash	703
Deferred Consideration	64
	767

The carrying value and the provisional fair value of the net assets recognised at the date of acquisition are:

	Carrying value £'000	**FV adjustment £'000**	**Fair value £'000**
Property, plant and equipment	3	—	3
Trade and other receivables	245	—	245
Cash and cash equivalents	59	—	59
Trade and other payables	(247)	—	(247)
Deferred tax liabilities	—	—	—
Net assets acquired	61	—	61
Goodwill arising from the acquisition	—	—	706
Total purchase consideration			**767**

Media Management LLC ("MMi")

The fair value of the purchase consideration for the acquisition of Media Management LLC is as follows:

	£'000
Cash	5,126
Shares	976
Deferred Contingent Consideration	2,121
	8,223

The carrying value and the provisional fair value of the net assets recognised at the date of acquisition are as follows:

	Carrying value £'000	FV adjustment £'000	Fair value £'000
Customer contracts and relationships	—	1,442	1,442
Technology - acquired software	973	687	1,660
Property, plant and equipment	63	—	63
Trade and other receivables	976	—	976
Trade and other payables	(2,130)	—	(2,130)
Deferred tax liabilities	—	(531)	(531)
Net assets acquired	(119)	1,598	1,479
Goodwill arising on acquisition[1]			6,744
Total purchase consideration			**8,223**
Cash and cash equivalents in subsidiary acquired	(35)	—	**(35)**

Media Path Network AB

The fair value of the purchase consideration for the acquisition of Media Path Network is as follows:

	£'000
Cash	**11,625**
Shares	**3,875**
	15,500

The carrying value and the provisional fair value of the net assets recognised at the date of acquisition are as follows:

	Carrying value £'000	FV adjustment £'000	Fair value £'000
Customer contracts and relationships	—	6,107	6,107
License Agreement	—	2,453	2,453
Property, plant and equipment	8	—	8
Trade and other receivables	2,068	—	2,068
Trade and other payables	(1,918)	—	(1,918)
Deferred tax liabilities	—	(1,763)	(1,763)
Net assets acquired	158	6,797	6,955
Goodwill arising on acquisition			8,545
Total purchase consideration			**15,500**
Cash and cash equivalents in subsidiary acquired	**824**		**824**

INDEPENDENT REVIEW REPORT TO EBIQUITY PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the income statement, the balance sheet, the statement of changes in equity, the cash flow statement and related notes 1 to 12. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the AIM Rules of the London Stock Exchange.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
21 September 2022