# Ebiquity plc

## Interim Results for the six months ended 30 June 2017

**Continued execution of our Growth Acceleration Plan**

Ebiquity plc, a leading independent technology-enabled marketing and media analytics consultancy, announces interim results for the six months ended 30 June 2017. Operating from 20 offices across 14 countries, Ebiquity provides services to more than 80%[1] of the top 100 global advertisers, helping them achieve greater return on their marketing investment.

**Operational and Market Highlights**

- Continued to achieve the milestones set out in the Growth Acceleration Plan (GAP) put in place in September 2016
  - Expansion of Marketing Effectiveness practice into selected European and Asian markets
  - Investment to strengthen both client and support services
- Increasing focus on Media Transparency by clients has driven excellent performance from our Contract Compliance business (FirmDecisions)
- Launched new services to grow sales and deepen client relationships
  - Ebiquity Media Transparency Score within Media Value Measurement (MVM)
  - Total View Attribution within Marketing Performance Optimization (MPO)
- Portfolio Digital, launched end of 2016 and continuing to roll out during 2017 has returned Advertising Intelligence subscription services to growth
- Good revenue performance from our European and Asia Pacific business units was offset by weaker performance from our US operations
- Acquisition of Digital Balance in September 2017 extends our digital analytics capability in Australia

**Financial Highlights**

- Total revenue up 5.6% on a reported basis to £44.6m (HY2016: £42.3m), with revenue flat with 2016 on a like for life constant currency[2] basis
- Underlying[3] PBT in line with market expectations and implementation of growth acceleration plan, down 21.8% to £6.2m (HY2016: £8.0m)
- Underlying diluted EPS of 5.6p (HY2016: 6.9p)
- Underlying operating cashflow conversion increased significantly to 89.2% (HY2016: 37.2%)
- Net debt decreased as expected by £1.8m to £26.3m (31 Dec 2016: £28.1m)

**Michael Karg, CEO, commented:**

*"Over the past six months we have continued to achieve the milestones we set out in our five-year Growth Acceleration Plan. The steps we have taken will enable Ebiquity to take advantage of the changing media landscape.*

*"The positive momentum from recent client wins, a growing pipeline and product investment is expected to continue across the second half of 2017. We are operating in a changing marketplace and continue to invest and position ourselves to be a beneficiary of this opportunity. We remain on track to meet our expectations for the year."*

**26 September 2017**

**Enquiries:**

| | |
|---|---|
| **Ebiquity** | **020 7650 9600** |
| Michael Karg, CEO<br>Andrew Noble, CFO | |
| **Instinctif Partners** | **020 7457 2020** |
| Matthew Smallwood<br>Guy Scarborough | |
| **Numis Securities** | **020 7260 1000** |
| Nick Westlake (NOMAD)<br>Toby Adcock (Corporate Broker) | |

[1] Source: Advertising Age 2016.
[2] Like for like ("LFL") figures adjust the prior year results to include the results of acquisitions as if they had been owned by the same period in the prior year. Constant currency ("CC") is calculated by taking current year denominated results restated at last year's foreign exchange rates.
[3] Underlying results are stated before highlighted items. Refer to page 6 for the reported results.

## Chief Executive and Financial Review

### Overview

I am pleased to announce that for the half year to 30 June 2017 we have made good progress against our Growth Acceleration Plan, and delivered performance which was broadly in line with market expectations despite weaker performance in the US.

A summary of underlying financial performance is outlined below:-

- Total revenue up 5.6% on a reported basis to £44.6m (HY2016: £42.3m)
- Positive impact of exchange rate movements, increasing total revenue by 5.9%
- Underlying PBT down 21.8% to £6.2m in line with GAP (HY2016: £8.0m) with diluted EPS of 5.6p (HY2016: 6.9p)
- Underlying operating cashflow conversion increased significantly to 89.2% (HY2016: 37.2%)
- Net debt decreased as expected by £1.8m to £26.3m (31 Dec 2016: £28.1m)

### A dynamic and changing marketplace

In 2017 we have seen three distinct trends within the marketplace: an increasing demand for transparency, scrutiny of the performance of digital channels, and the rapidly growing importance of technology and data solutions within marketing.

Advertisers are increasingly demanding transparency across their trading partners; more clients are taking actions to update contracts and conduct financial audits. The WFA[1] recently reported that transparency remains the #1 priority (ahead of brand safety, viewability, or ad fraud), with 51% of advertisers saying this is gaining in importance, and 70% of advertisers reporting that they have amended their media agency contracts. Our FirmDecisions offering has experienced strong growth in activity as demand for transparency has grown. Similarly, we are now starting to work with several global clients to improve the transparency of programmatic trading. The ANA[2] , in a report written in conjunction with Ebiquity, highlighted that full transparency in digital is possible, yet most advertisers have yet to tackle the issue. We expect this to change, with increasing momentum as budgets and awareness of the issue grows. Some leading advertisers have now made transparency a condition of programmatic buying.

Performance of digital channels is increasingly under scrutiny, driven by viewability, brand safety, and ad fraud concerns. However, clients are only just starting to put this under examination, and we are now focused on helping clients understand these issues and measure media appropriately in order to drive digital media performance. This year we have significantly increased the number of brands we are working with to help assess ad verification & brand safety technologies and measuring results.

Marketers are increasingly left with more choices of which technology to deploy and data sources to use; CMO budgets are now on a par with CIOs for the first time[3] as they build internal digital marketing capabilities and focus less on pure interruption-based advertising and more on building better customer experiences. As a result, we continue to invest in our technology, data, and analytics capabilities in order to support marketers with these new challenges. In 2017 YTD we have already led some 13 projects with clients in this area, up from just one last year, and this remains a significant focus area for us moving forward.

We continue to see clients looking for evidence of the Return of Investment on their marketing spend, which is demonstrated through the growth in our Marketing Effectiveness practice. As an independent advisor in this market, we are well placed to take advantage of this trend.

[1] WFA Global Media Governance & Guardianship, May 2017

[2] Programmatic: Seeing Through the Financial Fog." ANA, 2017 Commissioned by ANA, ACA (Association of Canadian Advertisers), AD/FIN Solutions, and Ebiquity PLC

[3] Gartner report: CMO Spend Survey 2016-2017, October 2016

## Chief Executive and Financial Review (continued)

### Performance overview

Revenue grew by 5.6% over the period. This reflects a strong performance from a number of parts of our business combined with a beneficial currency impact over the first half. Our overall growth was impacted by a decline in revenue from our US Media and Mult-Channel Analytics businesses.

Operating profit was in line with market expectations, with an operating margin of 15% - above the longer-term margin expectations of 12-13%. Operating profit was lower than HY2016 as a result of investment in our Growth Acceleration Plan, lower foreign exchange gains and the impact of lower revenue from our US business.

More detail of revenue performance by segment is set out below:-

### MVM – Media Value Measurement

Revenue growth over the period has been driven by a strong performance from our Contract Compliance business, (FirmDecisions, part of the MVM Segment) in all regions. FirmDecisions benefitted as clients increased their focus on Media Transparency. On a like-for-like constant currency basis, revenue grew strongly from our MVM businesses in Continental Europe. Revenue growth was broadly in-line with prior year in the UK and in Asia Pacific, due to some delays in client renewals in the UK and management changes in China. Overall performance for the MVM segment was held back by a revenue decline from our US Media business. Pressure on client media budgets and a trend towards zero based budgeting impacted renewal rates in the US as significant advertisers reduced their media spend. We are in the process of strengthening our US Media team in response to changing client demands.

### MPO – Marketing Performance Optimization

Within our MPO segment, which comprises two distinct service offerings (Marketing Effectiveness and Multi-Channel Analytics), revenues from our UK Marketing Effectiveness business grew strongly, with a continuing benefit from the importance clients are placing on understanding and driving the Return on Investment of their marketing spend. However, revenue from our US-based Multi-Channel Analytics (MCA) practice (Stratigent acquisition in August 2013), declined compared with HY2016. The MCA practice has a high concentration of revenue with a small number of clients, and a combination of client internal reorganisations together with some specialist services being brought in house impacted our revenue performance. We have seen a stabilisation of revenue between the first and second quarter of 2017 as we have focussed increasingly on growing revenues from a broader base of clients.

### MI – Market Intelligence

The period also saw our subscription based Advertising Intelligence services return to growth, benefitting from the investments we have made in the product offering through the rollout of Portfolio Media in 2016, and the ongoing rollout of Portfolio Digital. Revenue from our project-based research business declined as we had expected, and now accounts for just 7% of revenue within the MI segment.

**Innovation to grow our business**

**MVM – Media Value Measurement**

In June we launched The Ebiquity Media Transparency Score to help advertisers understand how well their business operations perform in achieving the level of media transparency they desire from their marketing activities.

In May we launched a ground-breaking study[1] into the economics of programmatic online advertising, which provided a unique perspective on where advertisers' money is spent in the US programmatic market, and how much of advertisers' investments are going into media inventory compared to the cost of data and fees.

**MPO – Marketing Performance Optimization**

In July we launched Total View Attribution, which will enable clients to improve the Return on Investment from their marketing investments and to better understand the impact of the specific contribution of each digital channel.

In June we also joined Facebook's Marketing Mix Modelling programme as one of a selected group of specialist analytics providers, enabling Ebiquity to leverage Facebook data on behalf of its clients.

**MI – Market Intelligence**

In addition to the launch of Portfolio Digital, as highlighted above, we have continued to develop our service offering and capabilities to ensure we are able to continue to meet client needs in a changing media landscape.

In the first half of 2017, the investment in our Growth Acceleration Plan enabled the expansion of our Marketing Effectiveness practice into selected European and Asian Markets, the recruitment of dedicated business development staff in selected markets, and some investment into internal support functions.

The period also saw a number of leadership changes in Continental Europe and China. These changes reflect internal promotions to support our matrix organisation, together with the impact of previous acquisitions coming out of earnout. The next step in our organisation development has been to define specific focus areas to drive change through the organisation aligned with our five-year goals.

In September, we completed the acquisition of Digital Balance Pty ("Digital Balance"), an independent digital analytics consultancy located in Perth, Australia. Digital Balance is one of a small number of consultancies who are certified sales and implementation partners of both Google and Adobe. Digital Balance will provide an important extension to Ebiquity's digital analytics services in Australia. Digital Balance is being acquired for an initial cash consideration of A$475,000 which is being satisfied from existing bank facilities. The maximum total consideration is A$5 million payable in cash depending on the performance of the acquired business up to 31 December 2020.

[1] Programmatic: Seeing Through the Financial Fog." ANA, 2017 Commissioned by ANA, ACA (Association of Canadian Advertisers), AD/FIN Solutions, and Ebiquity PLC

**Summary and segmental analysis of results**

**GROUP**

| | **Six months ended 30 June 2017 £'000** | **Six months ended 30 June 2016 £'000** |
|---|---|---|
| **Revenue** | **44,625** | **42,258** |
| **Underlying operating profit** | **6,723** | **8,565** |
| Underlying Operating Profit Margin | 15.1% | 20.3% |
| Highlighted items | (2,999) | (3,354) |
| **Reported operating profit** | **3,724** | **5,211** |
| Net finance costs | (509) | (613) |
| **Reported profit before tax** | **3,215** | **4,598** |
| **Underlying profit before tax** | **6,214** | **7,952** |

The table below sets out our HY2017 over HY2016 revenue growth by segment:

| | **MVM** | **MPO** | **MI** | **TOTAL** |
|---|---|---|---|---|
| Reported revenue growth | 9.1% | (5.2)% | 4.4% | **5.6%** |
| LFL[1] constant currency revenue growth | 2.7% | (12.5)% | 0.4% | **(0.4)%** |

Revenues grew to £44.6m which represents 5.6% total revenue growth over HY2016. The reported results reflect the relative weakness of sterling in comparison to the first six months of 2016 (the average rate of the Euro moved from £1 : €1.2835 in HY2016 to £1 : €1.1625 in HY2017 and the average rate of the US Dollar moved from £1 : $1.4329 in HY2016 to £1 : $1.2586 in HY2017).

LFL constant currency revenues for HY2017 were 0.4% below HY2016.

Underlying operating profit margin was 15.1% in HY2017, (HY2016: 20.3%), which compares with a longer term operating margin of 12-13%. Underlying operating profit decreased to £6.7m as the Company continued to invest in the Growth Acceleration Programme, together with lower transactional foreign exchange gains in HY2017 of £0.3m, compared with £0.8m gain in HY2016.

Highlighted items total £3.0m in the six months ended 30 June 2017 (HY2016: £3.4m). Included are non-cash items of £1.3m consisting of £0.9m of purchased intangible asset amortisation and £0.4m of share option charges. Also included are cash items of £1.7m consisting of £0.4m deferred consideration adjustments and £1.3m in relation to acquisition, strategy and severance costs. Acquisition and strategy costs totalled £0.5m and severance costs totalled £0.8m and related to the change in leadership in France and China.

Net finance costs were £0.5m in the six months ended 30 June 2017 (HY2016: £0.6m), reflecting the lower gross debt in 2017 compared to 2016 combined with a reduction in interest margin.

Reported profit before tax is £3.2m for the six months ended 30 June 2017 (HY2016: £4.6m) with a decrease in underlying operating profit offset by lower highlighted items.

[1] Like for like ("LFL") figures adjust the prior year results to include the results of acquisitions as if they had been owned by the same period in the prior year. Constant currency ("CC") is calculated by taking current year denominated results restated at last year's foreign exchange rates.

**MVM - Media Value Measurement (60% of total revenue)**

Total MVM revenue increased by 9.1% to £26.7m on reported basis. On a like for like constant currency basis revenue has increased by 2.7%. MVM revenues benefited from strong performance in our Contract Compliance (FirmDecisions) business with clients more focused on achieving greater media transparency. Additionally, we saw good revenue growth from our MVM business units in Continental Europe, with revenue from the UK and APAC being broadly in line with last year. Revenues in the US for HY1 2017 were softer than expected, due to a lower rate of client renewals as a number of advertisers reduced their media spend. Underlying operating margins decreased to 29.5% (HY2016: 32.9%) primarily as a result of the softer revenue in the US business.

| | **Six months ended 30 June 2017 £'000s** | **Six months ended 30 June 2016 £'000** |
|---|---|---|
| Revenue | 26,693 | 24,466 |
| Underlying operating profit | 7,862 | 8,045 |
| Underlying operating profit margin % | 29.5% | 32.9% |

**MPO - Marketing Performance Optimization (14% of total revenue)**

Within our MPO segment, which comprises two distinct service offerings: Marketing Effectiveness and Multi-Channel Analytics.

Total MPO revenue has decreased by 5.2% to £6.3m on a reported basis. On a like for like constant currency basis revenue has decreased by 12.5%. The overall decrease in our MPO business is a result of a decline in revenue from our US based Multi-Channel Analytics (MCA) practice. The MCA practice has a relatively high concentration of revenue with its largest clients. Over the first half of the year revenue from these clients declined due to client internal reorganisations and clients bringing some services in house. Revenues have stabilized between Q1 and Q2 with a focus on developing our wider client base. The decline in revenue fed through to operating profit and impacted the margin in the first half of 2017.

Marketing Effectiveness revenues grew 5.6% on a like for like constant currency basis. Revenue from the UK continued to grow by double digits, and new markets made a marginal impact to revenue in the first half. Performance from Spain reduced overall growth and reflects leadership changes post earnout. As expected margins declined in the first half due to the investment in setting up new markets and continued investment in our established UK effectiveness team.

| | **Six months ended 30 June 2017 £'000s** | **Six months ended 30 June 2016 £'000** |
|---|---|---|
| Revenue | 6,337 | 6,685 |
| Underlying operating profit | 897 | 2,394 |
| Underlying operating profit margin % | 14.2% | 35.8% |

**MI - Market Intelligence (26% of total revenue)**

Total MI revenue has increased by 4.4% to £11.6m on a reported basis. On a like for like constant currency basis revenue has increased by 0.4%.

Revenues from our Advertising Intelligence subscription service grew by 4.8% on a like for like constant currency basis primarily as a result of the rollout of Portfolio Media in 2016, and the launch of our Portfolio Digital service in Asia Pacific and Europe combined with high renewal rates. As anticipated, revenue from our project based research business declined significantly compared to the prior year bringing down the overall growth rate of the MI practice but this business now represents less than 7% of total MI revenues.

Underlying operating margins decreased slightly to 12.2% as a result of investment in Portfolio Digital and following higher amortisation of previously capitalised R&D associated with the launch of the Portfolio Media & Portfolio Digital Services. Margins were not impacted by the project based research revenue as costs have been managed down in line with revenues.

| | **Six months ended 30 June 2017 £'000s** | **Six months ended 30 June 2016 £'000** |
|---|---|---|
| Revenue | 11,595 | 11,107 |
| Underlying operating profit | 1,408 | 1,516 |
| Underlying operating profit margin % | 12.2% | 13.6% |

**Central costs**

Central costs include central salaries (Board, Finance, Marketing, IT and HR), legal and advisory costs and property costs. Central costs have increased marginally by 1.6%. As part of our Growth Acceleration Plan we have invested in support functions including operations, HR and business development (£0.2m). This investment has been offset by a foreign exchanges gain, with remaining costs in line with the prior year.

| | **Six months ended 30 June 2017 £'000s** | **Six months ended 30 June 2016 £'000** |
|---|---|---|
| Central costs | 3,444 | 3,390 |

**Taxation**

The effective tax rate on underlying profits is 23.3% for the six months to 30 June 2017 (HY1 2016: 27.7%). The decrease in the effective tax rate reflects a greater proportion of taxable profit being generated in jurisdictions with a lower rate of corporation tax compared to the prior period.

The total tax charge for the 6 months ended June 2017 is £1.1m representing a current tax charge of £1.3m and a deferred tax credit of £0.2m.

**Dividend**

A dividend of 0.65p per share was paid in respect to the year ended 31 December 2016 during the period.

The Company intends to continue with its progressive dividend policy in respect of the year ending 31 December 2017.

**Equity**

During the six months to June 2017, 12,370 shares were issued upon the exercise of employee share options. As a result our share capital increased to 77,212,121 ordinary shares (31 December 2016: 77,199,751).

**Earnings per share**

Underlying diluted earnings per share was 5.6p in the six months ended 30 June 2017 (HY2016: 6.9p). Underlying diluted earnings per share is lower in the first six months of 2017 as a result of the decrease in underlying profit before tax.

**Cash conversion**

| | Six months ended 30 June 2017 | Six months ended 30 June 2016 |
|---|---|---|
| | £'000 | £'000 |
| Reported cash from operations | 5,009 | 2,131 |
| Underlying cash from operations | 5,994 | 3,188 |
| Underlying operating profit | 6,723 | 8,565 |

Underlying cash from operations represents the cash flow from operations excluding the impact of highlighted items. The underlying net cash inflow from operations is £6.0m (HY2016: £3.2m). This represents an increase in underlying cashflow conversion to 89.2% (HY2016: 37.1%). This can be attributed to a renewed focus on working capital management together with stronger relative performance from our subscription based advertising intelligence business.

Reported cash inflow from operations for the period is £5.0m (HY2016: £2.1m).

**Net debt and banking facilities**

| | As at 30 June 2017 | As at 30 June 2016 |
|---|---|---|
| | £'000 | £'000 |
| Cash and cash equivalents net of bank overdrafts | **5,227** | 6,232 |
| Bank debt[1] | **(31,500)** | (34,368) |
| **Net debt** | **(26,273)** | (28,186) |

[1] Bank debt on the Balance Sheet at 30 June 2017 is shown net of £0.1m (HY2016: £0.2m) of loan arrangement fees that have been paid and which are amortised over the life of the facility. The bank debt stated above excludes these costs.

**Net debt and banking facilities (continued)**

At 30 June 2017, our total outstanding facilities comprised £2.5m of term loan (HY2016: £5.0m) and a revolving credit facility (RCF) of £29.0m (HY2016: £29.4m). The term loan has a maturity date of 2 July 2018. On 22 September, the Group extended the term of its RCF, with a new maturity date of 30 June 2019. The terms of the extension, including covenants, remain unchanged.

**Statement of financial position and net assets**

Net current assets as at 30 June 2017 are £11.1m and have increased by £1.9m since 31 December 2016. Net assets as at 30 June 2017 are £53.8m having increased by £1.7m since 31 December 2016.

Total deferred contingent consideration has increased by £0.3m since 31 December 2016, due to adjustments to the fair value of deferred consideration (£0.4m) offset by the foreign currency exchange impact on deferred consideration balances (£0.1m). Remaining deferred consideration is currently estimated to be £2.3m, which relates to the prior acquisitions of Fairbrother Marsh Company Limited and our media business in China. £2.0m of this is forecast to be settled in the next 12 months.

**Presentation of results**

Like for like ("LFL") figures adjust the prior year results to include the results of acquisitions as if they had been owned for the same period in the prior year.

All results are reported before taking into account highlighted items, unless otherwise stated. These highlighted items include share-based payment expenses, amortisation of purchased intangible assets, acquisition costs, restructuring and other non-recurring items.

HY2017 is the 6 month period from 1 January 2017 to 30 June 2017
HY2016 is the 6 month period from 1 January 2016 to 30 June 2016

**Outlook**

Our continued delivery against the milestones set out in the Growth Acceleration Plan and continued product investment, combined with recent client wins and a strong pipeline, are expected to provide positive momentum into the second half of the year. We are operating in a changing marketplace and continue to invest and position ourselves to be a beneficiary of this opportunity. We remain on track to meet our expectations for the year.

By order of the Board

**Michael Karg**
**Chief Executive Officer**

**Andrew Noble**
**Chief Financial Officer**

**25 September 2017**

**Consolidated Income Statement**
**for the six months ended 30 June 2017**

| | | Unaudited 6 months ended 30 June 2017 | | | Unaudited 6 months ended 30 June 2016 | | |
|---|---|---|---|---|---|---|---|
| | Note | Before highlighted items £'000 | Highlighted items (note 3) £'000 | Total £'000 | Before highlighted items £'000 | Highlighted items (note 3) £'000 | Total £'000 |
| Revenue | 2 | **44,625** | **-** | **44,625** | 42,258 | - | 42,258 |
| Cost of sales | | **(22,744)** | **-** | **(22,744)** | (20,498)[1] | - | (20,498) |
| **Gross profit** | | **21,881** | **-** | **21,881** | 21,760 | - | 21,760 |
| Administrative expenses | 3 | **(15,158)** | **(2,999)** | **(18,157)** | (13,195)[1] | (3,354) | (16,549) |
| **Operating profit** | | **6,723** | **(2,999)** | **3,724** | 8,565 | (3,354) | 5,211 |
| Finance income | | **2** | **-** | **2** | 1 | - | 1 |
| Finance expenses | | **(511)** | **-** | **(511)** | (614) | - | (614) |
| **Net finance costs** | | **(509)** | **-** | **(509)** | (613) | - | (613) |
| **Profit before taxation** | | **6,214** | **(2,999)** | **3,215** | 7,952 | (3,354) | 4,598 |
| Taxation (charge)/credit | | **(1,448)** | **363** | **(1,085)** | (2,206) | 256 | (1,950) |
| **Profit for the period** | | **4,766** | **(2,636)** | **2,130** | 5,746 | (3,098) | 2,648 |
| **Attributable to:** | | | | | | | |
| Equity holders of the parent | | **4,451** | **(2,623)** | **1,828** | 5,463 | (3,086) | 2,377 |
| Non-controlling interests | | **315** | **(13)** | **302** | 283 | (12) | 271 |
| | | **4,766** | **(2,636)** | **2,130** | 5,746 | (3,098) | 2,648 |
| **Earnings per share** | | | | | | | |
| Basic | 5 | | | **2.37p** | | | 3.08p |
| Diluted | 5 | | | **2.28p** | | | 2.99p |

**Consolidated Statement of Comprehensive Income**
**for the six months ended 30 June 2017**

| | **Unaudited 6 months ended 30 June 2017** | **Unaudited 6 months ended 30 June 2016** |
|---|---|---|
| Profit for the period | **2,130** | 2,648 |
| **Other comprehensive income/(expense):** | | |
| **Items that will be reclassified subsequently to the income statement** | | |
| Exchange differences on translation of overseas subsidiaries | **(312)** | 3,270 |
| Movement in valuation of hedging instruments | **-** | (200) |
| **Total other comprehensive income/(expense) for the period** | **(312)** | 3,070 |
| **Total comprehensive income for the period** | **1,818** | 5,718 |
| **Attributable to:** | | |
| Equity holders of the parent | **1,516** | 5,447 |
| Non-controlling interests | **302** | 271 |
| | **1,818** | 5,718 |

[1]The Group have reclassified salary and related costs associated with direct staff of £1,945,000 from administrative expenses to cost of sales to facilitate a consistent comparison with current period results.

**Consolidated Statement of Financial Position**
**as at 30 June 2017**

| | Note | Unaudited as at 30 June 2017 £'000s | Audited as at 31 December 2016 £'000s |
|---|---|---|---|
| **Non-current assets** | | | |
| Goodwill | 6 | 57,863 | 58,045 |
| Other intangible assets | 7 | 13,493 | 14,034 |
| Property, plant and equipment | | 2,129 | 2,438 |
| Deferred tax asset | | 1,490 | 1,338 |
| **Total non-current assets** | | **74,975** | **75,855** |
| **Current assets** | | | |
| Trade and other receivables | | 31,979 | 28,416 |
| Cash and cash equivalents | 8 | 7,619 | 6,662 |
| **Total current assets** | | **39,598** | **35,078** |
| **Total assets** | | **114,573** | **110,933** |
| **Current liabilities** | | | |
| Trade and other payables | | (6,518) | (5,919) |
| Accruals and deferred income | | (13,363) | (11,890) |
| Financial liabilities | 9 | (6,169) | (6,253) |
| Current tax liabilities | | (2,212) | (1,841) |
| Provisions | | (201) | (9) |
| **Total current liabilities** | | **(28,463)** | **(25,912)** |
| **Non-current liabilities** | | | |
| Financial liabilities | 9 | (29,928) | (30,448) |
| Provisions | | (393) | (393) |
| Deferred tax liability | | (2,010) | (2,125) |
| **Total non-current liabilities** | | **(32,331)** | **(32,966)** |
| **Total liabilities** | | **(60,794)** | **(58,878)** |
| **Total net assets** | | **53,779** | **52,055** |
| **Equity** | | | |
| Ordinary shares | | 19,303 | 19,300 |
| Share premium | | 3 | - |
| Other reserves | | 5,822 | 6,134 |
| Retained earnings | | 27,588 | 25,860 |
| **Equity attributable to the owners of the parent** | | **52,716** | **51,294** |
| Non-controlling interests | | 1,063 | 761 |
| **Total equity** | | **53,779** | **52,055** |

## Consolidated Statement of Changes in Equity
## for the six months ended 30 June 2017

| | Ordinary shares £'000 | Share premium £'000 | Other reserves £'000 | Retained earnings £'000 | Total £'000 | Non-controlling interests £'000 | Total equity £'000 |
|---|---|---|---|---|---|---|---|
| **1 January 2016** | 19,290 | 11,764 | 656 | 9,891 | 41,601 | 808 | 42,409 |
| Profit for the period | - | - | - | 2,377 | 2,377 | 271 | 2,648 |
| Other comprehensive loss | - | - | 3,070 | - | 3,070 | - | 3,070 |
| **Total comprehensive income for the period** | - | - | 3,070 | 2,377 | 5,447 | 271 | 5,718 |
| Shares issued for cash | 10 | 16 | - | - | 26 | - | 26 |
| Share premium reduction | - | (11,780) | - | 11,780 | - | - | - |
| Share options charge | - | - | - | 320 | 320 | - | 320 |
| Deferred tax on share options | - | - | - | (485) | (485) | - | (485) |
| Dividends paid to non-controlling interests | - | - | - | - | - | (55) | (55) |
| **30 June 2016** | 19,300 | - | 3,726 | 23,883 | 46,909 | 1,024 | 47,933 |
| Profit/(Loss) for the period | - | - | - | 1,773 | 1,773 | (26) | 1,747 |
| Other comprehensive income | - | - | 1,774 | - | 1,774 | - | 1,774 |
| **Total comprehensive (loss)/income for the period** | - | - | 1,774 | 1,773 | 3,547 | (26) | 3,521 |
| Convertible loan note | - | - | 634 | - | 634 | - | 634 |
| Share options charge | - | - | - | 332 | 332 | - | 332 |
| Deferred tax on share options | - | - | - | 164 | 164 | - | 164 |
| Dividends paid to shareholders | - | - | - | (292) | (292) | - | (292) |
| Dividends paid to non-controlling interests | - | - | - | - | - | (237) | (237) |
| **31 December 2016** | 19,300 | - | 6,134 | 25,860 | 51,294 | 761 | 52,055 |
| Profit for the period | **-** | **-** | **-** | **1,828** | **1,828** | **302** | **2,130** |
| Other comprehensive income | **-** | **-** | **(312)** | **-** | **(312)** | **-** | **(312)** |
| **Total comprehensive (loss)/income for the period** | **-** | **-** | **(312)** | **1,828** | **1,516** | **302** | **1,818** |
| Shares issued for cash | **3** | **3** | **-** | **-** | **6** | **-** | **6** |
| Share options charge | **-** | **-** | **-** | **319** | **319** | **-** | **319** |
| Deferred tax on share options | **-** | **-** | **-** | **55** | **55** | **-** | **55** |
| Dividends paid to shareholders | **-** | **-** | **-** | **(474)** | **(474)** | **-** | **(474)** |
| **30 June 2017** | **19,303** | **3** | **5,822** | **27,588** | **52,716** | **1,063** | **53,779** |

**Consolidated Cash Flow Statement**
**for the six months ended 30 June 2017**

| | Note | Unaudited 6 months ended 30 June 2017 £'000s | Unaudited 6 months ended 30 June 2016 £'000s |
|---|---|---|---|
| **Cashflows from operating activities** | | | |
| Cash generated from operations | 11 | 5,009 | 2,131 |
| Finance expenses paid | | (469) | (331) |
| Finance income received | | 2 | 1 |
| Income taxes paid | | (931) | (117) |
| **Net cash from operating activities** | | **3,611** | 1,684 |
| **Cashflows from investing activities** | | | |
| Payment of deferred consideration | | (96) | 44 |
| Purchase of property, plant and equipment | | (318) | (311) |
| Purchase of intangible assets | | (321) | (352) |
| Purchase of capitalised developments costs | | (536) | (341) |
| **Net cash used in investing activities** | | **(1,271)** | (960) |
| **Cashflows from financing activities** | | | |
| Proceeds from issue of share capital (net of issue costs) | | 6 | 26 |
| Repayment of bank borrowings | | (1,250) | (1,250) |
| Dividends paid to shareholders | | (474) | - |
| Dividends paid to non-controlling interests | | - | (255) |
| Capital repayment of finance leases | | (4) | (4) |
| **Net cash flow from financing activities** | | **(1,722)** | (1,483) |
| **Net increase/(decrease) in cash, cash equivalents and bank overdrafts** | | **618** | (759) |
| **Cash, cash equivalents and bank overdrafts at beginning of period (as at 31 December 2016)** | | 4,600 | 6,364 |
| Effect of exchange rate changes on cash and cash equivalents | | 9 | 627 |
| **Cash, cash equivalents and bank overdrafts at end of period** | 8 | **5,227** | 6,232 |

## Notes to the interim financial statements for the six months ended 30 June 2017

### 1. Accounting policies

### Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with *International Accounting Standard ('IAS') 34 'Interim Financial Reporting'* as adopted by the European Union ('EU'). These interim financial statements should be read in conjunction with the Group's Annual Report and Accounts for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, the Companies Act 2006 that applies to companies reporting under IFRS, and IFRS Interpretations Committee (IFRS IC). The consolidated financial statements have been prepared on a going concern basis.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below. These policies have been consistently applied to all of the periods presented.

### New Accounting Standards and Accounting Standards Issued But Not Yet Applied

Certain new standards, amendments to new standards and interpretations have been published that are mandatory to the Group's future accounting periods but have not been adopted early in these financial statements. The Group is currently assessing the impact of the following accounting standards and amendments to accounting standards to the financial report, when applied in future periods. They include:

- *IFRS 15*, *'Revenue from Contracts with Customers'* (effective on or after 1 January 2018). This standard establishes a single comprehensive framework for revenue recognition to determine when to recognise revenue and how much revenue to recognise. This standard replaces the previous revenue standards *IAS 18 'Revenue'* and *IAS 11 'Construction Contracts'*. The Group will apply IFRS 15 from 1 January 2018;

- *IFRS 9, 'Financial Instruments'* (effective on or after 1 January 2018). This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Group will apply IFRS 9 from 1 January 2018; and

- *IFRS 16, 'Leases'* (effective on or after 1 January 2019). This standard replaces *IAS 17 'Leases'* and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. IFRS 16 eliminates the two lease classifications that IAS 17 has (operating and finance leases) for the lessee, and instead all leases will have the same classification. The Group will apply IFRS 9 from 1 January 2019.

## 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 three business practices (Media Value Measurement, Market Intelligence and Marketing Performance Optimization), as this most accurately reflects the way the Group is being managed.

The Executive Directors are the Group's chief operating decision-maker. 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 2017 is as follows:

**Unaudited six months ended 30 June 2017**

| | **Media Value Measurement £'000** | **Market Intelligence £'000** | **Marketing Performance Optimization £'000** | **Reportable Segments £'000** | **Unallocated £'000** | **Total £'000** |
|---|---|---|---|---|---|---|
| **Revenue** | 26,693 | 11,595 | 6,337 | **44,625** | - | **44,625** |
| **Operating profit/(loss) before highlighted items** | 7,862 | 1,408 | 897 | **10,167** | (3,444) | **6,723** |

**Unaudited 6 month period ended 30 June 2016**

| | **Media Value Measurement £'000** | **Market Intelligence £'000** | **Marketing Performance Optimization £'000** | **Reportable Segments £'000** | **Unallocated £'000** | **Total £'000** |
|---|---|---|---|---|---|---|
| Revenue | 24,466 | 11,107 | 6,685 | **42,258** | - | **42,258** |
| Operating (loss)/ profit before highlighted items | 8,045 | 1,516 | 2,394 | **11,955** | (3,390) | **8,565** |

## 2. Segmental reporting (continued)

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

| | Unaudited 6 months ended 30 June 2017 | Unaudited 6 months ended 30 June 2016 |
|---|---|---|
| | **£'000** | **£'000** |
| Reportable segment operating profit before highlighted items | **10,167** | 11,955 |
| Unallocated costs: | | |
| Staff costs | **(2,506)** | (2,538) |
| Property costs | **(233)** | (240) |
| Exchange rate movements | **(23)** | (64) |
| Other administrative expenses | **(682)** | (548) |
| Operating profit before highlighted items | **6,723** | 8,565 |
| Highlighted items (note 3) | **(2,999)** | (3,354) |
| Operating profit | **3,724** | 5,211 |
| Net finance costs | **(509)** | (613) |
| **Profit before tax** | **3,215** | 4,598 |

## 3. Highlighted items

Highlighted items comprise items which 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 2017 | Unaudited 6 months ended 30 June 2016 |
|---|---|---|
| | **£'000s** | **£'000s** |
| Share option charge | 363 | 203 |
| Amortisation of purchased intangibles | 963 | 907 |
| Deferred consideration adjustments | 372 | 1,576 |
| Integration and strategic costs | 1,301 | 668 |
| **Total highlighted items before tax** | **2,999** | 3,354 |
| Taxation credit | **(363)** | (256) |
| **Total highlighted items after tax** | **2,636** | 3,098 |

### 3. Highlighted items (continued)

Share option charges include the non-cash IFRS 2 charge £319,000 (June 2016: £320,000) along with the cash element in relation to the exercising of share options £45,000 (June 2016: £117,000 credit).

Amortisation of purchased intangibles relates to acquisitions made in prior years £963,000 (June 2016: £907,000).

Adjustments to the fair value of deferred consideration amount to £449,000 (June 2016: £1,001,000) resulting from an upward revision of deferred consideration in relation to acquisitions from prior years and discounting all deferred consideration balances to net present value, along with the related foreign exchange £77,000 credit (June 2016: £575,000 debit).

Integration costs include certain one-off costs incurred whilst integrating the acquisitions made in prior years including severance costs arising from the restructure of senior management following these acquisitions totalling £784,000 (June 2016: £582,000). Also included are costs for the exploration of strategic opportunities for the Group totalling £517,000 (June 2016: £86,000).

### 4. Dividends

A dividend of £474,000 (0.65p per share) was paid in respect to the year ended 31 December 2016.

## 5. Earnings per share

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

| | **Unaudited 6 months ended 30 June 2017** | **Unaudited 6 month ended 30 June 2016** |
|---|---|---|
| | **£'000s** | **£'000s** |
| Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent | **1,828** | 2,377 |
| *Adjustments:* | | |
| Impact of highlighted items (net of tax)[2] | **2,623** | 3,086 |
| Earnings for the purpose of underlying earnings per share | **4,451** | 5,463 |
| Number of shares: | | |
| Weighted average number of shares during the period | | |
| - Basic | **77,202,758** | 77,172,354 |
| -Dilutive effect of share options | **2,961,788** | 2,355,361 |
| | **80,164,546** | 79,527,715 |
| Basic earnings per share | **2.37p** | 3.08p |
| Diluted earnings per share | **2.28p** | 2.99p |
| Underlying basic earnings per share | **5.77p** | 7.08p |
| Underlying diluted earnings per share | **5.55p** | 6.87p |

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

## 6. Goodwill

| | **£'000** |
|---|---|
| ***Cost*** | |
| At 1 January 2017 | 61,174 |
| Foreign exchange differences | (182) |
| **At 30 June 2017** | **60,992** |
| ***Accumulated impairment*** | |
| At 1 January 2017 | (3,129) |
| Impairment | - |
| **At 30 June 2017** | **(3,129)** |
| ***Net book value*** | |
| **At 30 June 2017** | **57,863** |
| At 31 December 2016 | 58,045 |

## 7. Other intangible assets

| | Capitalised Work-in-Progress costs | Capitalised development costs | Computer software | Purchased intangible assets | Total intangible assets |
|---|---|---|---|---|---|
| | **£'000s** | **£'000s** | **£'000s** | **£'000s** | **£'000s** |
| **Cost** | | | | | |
| At 1 January 2017 | 1,551 | 2,793 | 3,051 | 24,938 | 32,333 |
| Additions | 151 | 385 | 321 | - | 857 |
| Disposals | - | - | - | - | - |
| Transfer to capitalised development costs | (1,155) | 1,155 | - | - | - |
| Foreign exchange | - | 6 | 10 | 7 | 23 |
| At 30 June 2017 | 547 | 4,339 | 3,382 | 24,945 | 33,213 |
| **Amortisation** | | | | | |
| At 1 January 2017 | - | (1,376) | (1,517) | (15,406) | (18,299) |
| Charge for the period | - | (240) | (185) | (963) | (1,388) |
| Disposals | - | - | - | - | - |
| Foreign exchange | - | - | (8) | (25) | (33) |
| At 30 June 2017 | - | (1,616) | (1,710) | (16,394) | (19,720) |
| **Net book value** | | | | | |
| **At 30 June 2017** | **547** | **2,723** | **1,672** | **8,551** | **13,493** |
| **At 31 December 2016** | **1,551** | **1,417** | **1,534** | **9,532** | **14,034** |

The capitalised development costs and work-in-progress costs are internally generated intangible assets related to bespoke computer software and technology developed by the Group's internal software development team. Capitalised development costs have commenced amortising.

Purchased intangible assets consist principally of customer relationships with a typical useful life of 10 years. Amortisation for purchased intangible assets is included in highlighted items.

Amortisation is charged within administrative expenses so as 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.

## 8. Cash, cash equivalents and bank overdrafts

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

| | 30 June 2017 | 31 December 2016 |
|---|---|---|
| | **£'000** | **£'000** |
| Cash and cash equivalents | **7,619** | 6,662 |
| Bank overdraft (note 9) | **(2,392)** | (2,062) |
| **Cash, cash equivalents and bank overdrafts** | **5,227** | 4,600 |

## 9. Financial liabilities

| | 30 June 2017 £'000 | 31 December 2016 £'000 |
|---|---|---|
| **Current** | | |
| Bank overdraft | **2,392** | 2,062 |
| Bank borrowings | **1,785** | 2,410 |
| Finance lease liabilities | **4** | 4 |
| Contingent deferred consideration | **1,988** | 1,777 |
| | **6,169** | 6,253 |
| **Non-current** | | |
| Bank borrowings | **29,625** | 30,205 |
| Finance lease liabilities | **-** | 5 |
| Contingent deferred consideration | **303** | 238 |
| | **29,928** | 30,448 |
| **Total financial liabilities** | **36,097** | 36,701 |

| | Bank overdrafts £'000 | Bank borrowings £'000 | Finance lease liabilities £'000 | Contingent deferred consideration £'000 | Total £'000 |
|---|---|---|---|---|---|
| At 1 January 2017 | 2,062 | 32,615 | 9 | 2,015 | 36,701 |
| Additions | 330 | – | – | – | 330 |
| Paid | – | – | (5) | (96) | (101) |
| Charged to the income statement | – | 45 | – | 413 | 458 |
| Discounting charged to the income statement | – | – | – | 36 | 36 |
| Repayments | – | (1,250) | – | – | (1,250) |
| Foreign exchange released to the income statement | – | – | – | (77) | (77) |
| **At 30 June 2017** | **2,392** | **31,410** | **4** | **2,291** | **36,097** |

All bank borrowings are held jointly with Barclays and Royal Bank of Scotland ('RBS'). The committed facility, totalling £40,000,000, comprises a term loan of £10,000,000 (of which £2,500,000 remains outstanding at 30 June 2017) (31 December 2016: £3,750,000), and a revolving credit facility ('RCF') of £30,000,000 (of which £29,000,000 was drawn down at 30 June 2017) (31 December 2016: £29,000,000). Both the term loan and the RCF have a maturity date of 2 July 2018. On 22 September, the Group extended the term of its RCF, with a new maturity date of 30 June 2019. The terms of the extension, including covenants, remain unchanged. The £10,000,000 term loan is being repaid on a quarterly basis to maturity, and the drawn RCF and any further drawings under the RCF are repayable on 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.

Loan arrangement fees of £90,000 (31 December 2016: £135,000) are offset against the term loan, and are being amortised over the period of the loan.

The facility bears variable interest of LIBOR plus a margin of 2.25%. The margin rate is able to be lowered each quarter end from December 2015 depending on the Group's net debt to EBITDA ratio.

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 5 business days' notice.

## 9. Financial liabilities (continued)

All amounts owing to the banks 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 and Germany.

Contingent deferred consideration represents additional amounts that are expected to be payable for acquisitions made by the Group in prior periods and is held at fair value at the Statement of Financial Position date. During the period, the Group settled its contingent deferred consideration for its 2015 acquisition of Media Value SL. The Group's remaining contingent deferred consideration pertains to the acquisitions of its Chinese and Irish media businesses, made in 2014 and 2016 respectively. All amounts are expected to be fully paid by June 2021.

## 10. Fair Value Measurement

All of the Group's financial assets and liabilities are measured at amortised cost, with the exception of the contingent deferred consideration payable, which is held at fair value through profit and loss.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

| | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|---|---|---|---|---|
| **At 30 June 2017** | | | | |
| Financial liabilities | | | | |
| Contingent deferred consideration | **–** | **–** | **2,291** | **2,291** |
| | **–** | **–** | **2,291** | **2,291** |
| At 30 June 2016 | | | | |
| Financial liabilities | | | | |
| Contingent deferred consideration | – | – | 5,372 | 5,372 |
| | – | – | 5,372 | 5,372 |

The fair value of the contingent deferred consideration is based on the EBIT performance of the respective businesses over a designated future period of time, as agreed at acquisition. As a result, the determination of the contingent deferred consideration payable is based on management's best estimate forecast results and therefore, actual consideration can vary.

Refer to Note 9 for a reconciliation of movements during the period.

**11. Cash generated from operations**

| | Unaudited 6 months ended 30 June 2017 | Unaudited 6 months ended 30 June 2016 |
|---|---|---|
| | **£'000** | £'000 |
| Profit before taxation | **3,215** | 4,598 |
| Adjustments for: | | |
| Depreciation | **550** | 629 |
| Amortisation (note 7) | **1,388** | 1,189 |
| Loss on disposal | **-** | 1 |
| Unrealised foreign exchange gain | **(252)** | (1,168) |
| Share option charges | **319** | 320 |
| Finance income | **(2)** | (1) |
| Finance expenses | **511** | 614 |
| Contingent deferred consideration | **372** | 1,576 |
| | **6,104** | 7,758 |
| Increase in trade and other receivables | **(3,567)** | (6,949) |
| Increase in trade and other payables | **2,279** | 1,410 |
| Movement in provisions | **193** | (88) |
| **Cash generated from operations** | **5,009** | 2,131 |

**12. Contingent liabilities**

The Group intends to purchase the remaining 20% ownership interest in the Group's French business by the end of the calendar year.

**13. Events subsequent to reporting date**

On 1 September, the Group acquired the trade and assets of Digital Balance Pty ("Digital Balance), an independent digital analytics consultancy located in Perth, Australia for initial cash consideration of A$475,000. The maximum total consideration is A$5 million payable in cash depending on the performance of the acquired business up to 31 December 2020.

On 22 September, the Group extended the term of its revolving credit facility of £30,000,000 with a maturity date of 30 June 2019. The terms of the extension, including covenants, remain unchanged.

## INDEPENDENT REVIEW REPORT TO EBIQUITY PLC

### Report on the consolidated interim results

#### *Our conclusion*

We have reviewed Ebiquity plc's consolidated interim results (the "interim financial statements") in the interim results of Ebiquity plc for the 6 month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

#### *What we have reviewed*

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2017;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the AIM Rules for Companies.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Responsibilities for the interim financial statements and the review

#### *Our responsibilities and those of the directors*

The interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the AIM Rules for Companies and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### *What a review of interim financial statements involves*

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 Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London

25 September 2017

a) The maintenance and integrity of the Ebiquity plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.