

19 July 2022

TPXimpact Holdings PLC
("TPXimpact", "TPX" or the "Group")

Unaudited preliminary results for the year ended 31 March 2022

TPXimpact Holdings PLC (AIM: TPX), the technology-enabled services Group focused on digital transformation, announces its unaudited preliminary results for the year ended 31 March 2022.

Financial highlights:

- Revenue from continuing operations up 58% to £79.7m (FY2021¹: £50.3m)
 - Organic like-for-like² revenue growth of 16%
- Statutory EBITDA of £11.5m (FY2021¹: £1.9m)
- Adjusted EBITDA³ up 72% to £12.2m (FY2021¹: £7.1m)
- Adjusted EBITDA³ margin up to 15% from 14% in the prior year
- First statutory profit after tax on continuing operations of £2.5m (FY2021¹: loss of £2.0m)
- Adjusted profit after tax⁴ of £8.7m (FY2021¹: £5.2m)
- Basic earnings per share from total operations of 2.1p (FY2021: loss per share of 3.5p)
- Diluted earnings per shares from total operations of 2.0p (FY2021: loss per share of 3.5p)
- Adjusted diluted earnings per share⁵ of 9.4p (FY2021¹: 6.2p)
- Cash conversion⁶ of 110% (FY2021¹: 109%) and cash at bank⁷ of £7.9m as at 31 March 2022 (31 March 2021: £5.7m). Adjusted net debt⁸ as at 31 March 2022 of £10.1m (31 March 2021: £7.3m)
- Sales backlog⁹ as at 1 April 2022 of £41.2m to 31 March 2023 (1 April 2021: £39.0m)
- Final dividend of 0.6 pence per share (FY2021: 0.4p). This follows the interim dividend of 0.3 pence per share paid in January 2022, and will be paid on 14 October 2022 to shareholders on the register at the close of business on 7 October 2022

Operational and Impact highlights:

- Substantial progress in the consolidation of Group businesses into one company, expected to drive continued growth and targeting of larger projects
- £85.1m of total contract wins in FY2022, up 92% (FY2021: £44.4m)
- 72% of revenue from public services in the period (FY2021: 71%), with Local Government representing 17% Central Government 35% Healthcare 9%, Education 4%, and the remaining 7% coming from other public services
- Completion of acquisitions of Nudge Digital, RedCortex with Peak Indicators and Swirl acquired post-period end
- Launched Employee Resource Groups (ERGs) for women, LGBTQI+ employees and minority ethnic employees
- Achieved Social Value Quality Mark Level 1 in recognition of the Group's commitment to research, measure and report social impact and value
- Created an internal carbon tracker

Other KPIs:

- 7 contracts signed over £3m (FY2021: 4) and 18 customers billed over £1m (FY2021: 11)
- Average contract spend increased to £226k (FY2021: £176k)
- 353 customers billed (FY2021: 290)

- 67% of customers billed in FY2022 also billed in FY2021, FY2020 and FY2019 (FY2021: 67% of customers billed in FY2021 were also billed in FY2020, FY2019 or FY2018)
- Top ten clients generating 42% of revenue (FY2021: 30%)

Neal Gandhi, Chief Executive Officer, commented:

"We have achieved a great deal this year. In financial terms, we've delivered revenue up 58%, adjusted EBITDA up 72%, 110% cash conversion and our first statutory profit after tax. We've also made great progress against our ESG goals, with countless projects underway in this area.

Our team has worked incredibly hard to generate these results, and I am very proud of the positive impact their efforts have had on our clients. Over the year we've sped up the delivery of crucial public services, helped empower local communities and improved the effectiveness of numerous organisations' operations.

Alongside this work we've also started implementing a substantial change programme internally, bringing multiple different businesses together as one company. We have made good progress and as a result are beginning to see just how impactful making this move will ultimately be for our people, our clients, our partners and our shareholders. Our investment into the programme continues this year, and we look forward to updating our shareholders on our progress in due course. Notwithstanding the broader macro environment, digital transformation remains a high growth market and we are excited to see what we can achieve as we continue to work towards our 2025 commercial vision."

A video overview of the results is available to watch here: <https://bit.ly/TPXfy22-Overview>

TPX will be hosting a webinar for analysts at 9:30am today. If you would like to register for the analyst webinar, please contact tpx@almapr.co.uk.

The Group will also be hosting a webinar for retail investors at 12.00 noon today. Retail investors can register for the webinar using the following link: https://bit.ly/TPX_FY22_webinar

¹ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in the accounting policies. Full disclosure of discontinued operations in the year are disclosed in the notes.

² Like-for-like is a non-GAAP/IFRS measure that presents the prior year being restated to show the unaudited numbers of the existing and acquired businesses consolidated for the same number of months as they have been in FY2022. For FY2021, this incorporates the like-for-like pre-acquisition results for Arthurly, Difrent, Keep IT Simple, Nudge Digital and Red Cortex Limited as if they have been included in the Group for the same amount of time as they have been in FY2022.

³ Adjusted EBITDA is a non-IFRS measure that the Group uses to measure its performance and is defined as earnings before interest, taxation, depreciation and amortisation and after add back of costs related to acquisitions, restructuring and the TPX Impact Change Programme announced in September 2021. It also adds back discontinued operations in the year, fair value adjustments and share based payment charge.

⁴ Adjusted profit after tax is calculated as a non-IFRS measure relating to continuing operations only. To arrive at adjusted profit after tax, adjustments made include the add back of acquisition, restructuring and costs associated with the Change Programmes, amortisation related to acquired intangibles, share-based payments, the impact of fair value adjustments, and the tax impact of these adjustments.

⁵ Adjusted diluted earnings per share is calculated based on adjusted profit before tax as defined above. An adjusted diluted share count is calculated by taking the weighted average basic shares and including the maximum shares to be issued in respect of contingent consideration to be paid based on performance measures met in the period, together with the maximum share options and other share awards outstanding.

⁶ Cash conversion is calculated by reference to adjusted profit after tax after deducting the costs relating to acquisitions and restructuring

⁷ In FY2021, cash in bank figure was reduced by £2.1m reflecting the completion cash payable to the sellers of Nudge Digital. This was settled in Q3 FY2022

⁸ Adjusted net debt is calculated excluding the impact of lease liabilities. FY2021 was reduced to include the impact of £2.1m completion cash payable to the sellers of Nudge Digital.

⁹ The value of contracted revenue that has yet to be recognised.

Enquiries

TPX Impact Holdings PLC

Via Alma PR

Neal Gandhi (CEO)
Oliver Rigby (CFO)

**Stifel Nicolaus Europe
Limited**

+44 (0)207 710 7600

(Nomad and Joint Broker)

Alex Price

Fred Walsh

Dowgate Capital Limited

+44 (0)203 903 7715

(Joint Broker)

James Serjeant

Nicholas Chambers

Alma PR

tpx@almapr.co.uk

(Financial PR)

+44 (0)203 405 0209

Susie Hudson

Josh Royston

Kieran Breheny

Matthew Young

About TPXimpact

TPXimpact exists to transform the organisations, services and systems that underpin society and that drive business success. It applies strategic and creative thinking, technology, innovative design and user-centred approaches to bring about numerous improvements which together multiply the impact of change. The Group works closely with its clients in agile, multidisciplinary teams that span organisational design, technology, and digital experiences. It shares a deep understanding of people and behaviours and a philosophy of putting people and communities at the heart of every transformation.

The business is being increasingly recognised as a leading alternative digital transformation provider to the UK public services sector, with c.75% of its client base representing the public sector and c.25% representing the commercial sector.

More information is available at www.tpximpact.com

Chairman's statement

This year we have delivered a strong financial performance while making extensive operational changes. As a Group we are driven by a distinct sense of purpose and throughout the year we have continued to deliver impactful change for our clients and communities. Our success to date can be attributed to the Group's agile leadership, strategic acquisitive growth and our talented team of employees whose commitment, skill and dedication are the backbone of our best-in-class service offering.

The restructuring of the business under the single brand TPXimpact is a vital step towards achieving our strategic targets and I am proud of all our teams, particularly those closest to the project, for the hard work that has gone into progressing towards full integration so far.

Complementing our organic growth, throughout this year we have successfully executed on our acquisitive strategy by welcoming Nudge Digital and RedCortex Ltd to the Group with a further two post-period acquisitions in Peak Indicators Ltd and Swirl IT Ltd. These additions have significantly enhanced our service offering and have opened new market opportunities to us that were previously addressed by working with associates. The success of this strategy has significantly bolstered our competitive position in the public sector and allows us to continue delivering impactful digital change to organisations across the public, not-for-profit and commercial sectors.

Macro-economic developments

We, in common with all businesses, are currently facing a series of macro-economic challenges we have seen develop across this year and post-period end. We are now confronting a severely inflationary environment, together with a cost-of-living crisis amongst heightened political and economic uncertainty. However, TPXimpact is well-positioned to weather these challenges, and in many instances, to leverage opportunities that may appear amongst the disruption.

Digital transformation is an enduring theme, and one where we believe all organisations will continue to invest in the coming months. As during the pandemic, it is now even more imperative that companies deliver increased efficiencies and are best able to serve their customers.

Our purpose

TPXimpact is a purpose-led Group, determined to do business that delivers positive sustainable change to wider society and our unified brand reflects the importance of this mission to everyone across the business. I am proud to say that from Board level down, TPX is committed to improving people's lives through both its day-to-day digital transformation work, and also its extensive ESG programme.

In a year which has seen increasing pressure on essential public sector bodies, we are proud that our work has gone some way in allowing them to continue delivering their essential services to those most in need.

TPXimpact is committed to leading by example and in doing so, we want to change the composition of the technology sector. In the past year, we have had a focus on ethnic diversity and have continued to host a number of schemes, apprenticeships and partnerships

to better enable those from underrepresented backgrounds to gain access to the expertise, mentorship and support needed to thrive in this area. We are pleased to say that these have been a success and through our focus on D&I, we have increased our overall minority representation from 13% to 19%. Whilst we understand that there is some way to go, we are pleased with the progress made and will continue to make TPXimpact a diverse and inclusive workplace while reporting our progress along the way.

Alongside our investment in people, we have been focused on further advancing our commitment to the other two areas of our ESG agenda, Planet and Communities. Moving forward, we will be committing to setting short and long-term Science Based Targets to align with the SBTi Net-Zero Standard. As a Group, we are also proud to report that our philanthropic donations have kept pace with our commercial growth through our 1% pledge. Over the course of the last year, we have donated over £59,000 to charities through our community investment and employee-led giving programmes.

I am also pleased that we have once again delivered our Future Leaders programme which aims to create positive change in communities and in the wider industry by supporting 10 digital entrepreneurs from underrepresented backgrounds over a two-month period to build their businesses; providing the expertise, mentorship and support needed to successfully develop themselves and their companies.

In addition to Future Leaders, TPXimpact supports; the Arkwright Scholarship, which sponsors diverse students looking to get into engineering; In2Science, which promotes social mobility and diversity in science, technology, engineering, and maths through work experience; and Code First Girls, which places four women or non-binary people on a Full-Stack Nanodegree.

Corporate governance

The Board is working to continuously improve the governance of TPXimpact. We carefully monitor the market and frequently assess the principal risks to the Group, remaining cognisant of the ongoing impact sector-wide challenges have on our end markets and stakeholders.

We greatly value our shareholders, for whom we are ultimately seeking to deliver value which has been achieved with purpose. Therefore, we believe that it is a priority to keep all shareholders up-to-date and engaged and we are committed to continually increasing transparency in all our corporate communications.

This year we have heightened our ESG governance and have built DEI requirements into the share award eligibility for all leaders. We want DEI to be a priority within the business and therefore we are going to use it as a metric to measure the performance of senior leaders within the Group. Performance on these metrics for leadership are now linked directly to their remuneration.

People

Our people are at the very centre of everything that we do and I would like to take this opportunity to sincerely thank all of them for their continued hard work and dedication. We have worked hard to create an environment which allows the diverse range of talent within TPX to thrive and I believe that this plays a significant part in our continued success.

We are continually investing in our people in order to retain and attract the best talent available. This year we have launched our new employee value proposition which delivers increased benefits to staff including 30 days holiday each year on top of bank holidays, two months full sick pay for colleagues struggling with their mental or physical health, and green incentive schemes to encourage sustainable living such as an electric vehicle leasing scheme.

The Board is also pleased to note the launch of Employee Resource Groups (ERGs) to help amplify the voices of underrepresented employees and make sure our workplace is inclusive for everyone and a board mentoring scheme to support diverse talent within the business.

Outlook

Looking ahead, we expect TPXimpact to greatly benefit from its structural change, expanded service offering and extended geographic outreach as we capitalise on the market opportunity available to us. Investment in digital transformation is continuing in the public and commercial sectors and it has become clear that this is now a necessity for all modern businesses. We are also bolstered by our growing presence in the commercial sector which allows for a diversification in our revenue streams and gives us strong foundations to navigate any headwinds in the coming period.

We will also continue to look at best-in-class companies who might join TPXimpact through acquisition and strengthen our existing client offering, geographical expansion in key areas and further our purpose driven strategy to enact meaningful change in the areas we work.

While we expect testing macro-economic conditions to continue, I am confident that our experienced and agile management team have the necessary skillset to capitalise on these opportunities and continue our strong momentum into FY2023. Moreover, with best-in-class expanded service offering and substantial market opportunity, we are well positioned to achieve our 2025 commercial objectives and continue delivering positive, sustainable change.

Chief Executive's review

It has been an incredible year of change for the Group, and one of great success.

We began the year trading under The Panoply Holdings plc as a collection of 12 separate businesses and have now come together under one unified brand: TPXimpact. Coming together in this way necessitated a comprehensive change programme across the Group but, even whilst this progresses, our teams have continued to perform excellently, demonstrating passion and drive across their work. As a result, we've achieved revenue from continuing operations of £79.7m, up 58% and delivered like-for-like organic revenue growth of 16%. We have achieved our first statutory profit after tax on continuing operations of £2.5m and adjusted EBITDA of £12.2m slightly ahead of expectations, up 72% year on year and at an improved adjusted EBITDA margin.

In a significant milestone for the Group, we hit the run rate revenue target of our 2023 Commercial Vision a full year ahead of schedule. However, we haven't sat on our laurels and immediately began looking ahead to our next major set of goals: our Commercial Vision for 2025. This includes our ambition to achieve a run rate revenue of £200m, deliver 70% of operating profit through to positive cash flow and to become a top 20 public sector supplier, by March 2025.

Alongside our financial success, we've also continued to deliver against our overarching purpose of delivering sustainable change with a positive impact. For example, we've helped the Welsh Ambulance Service - NHS Trust (WAST) modernise their internal operations, with Office 365, data insights and flexible mobile solutions; we've helped UNICEF UK design and deliver a new way of operating to work more effectively and achieve better outcomes for children; and we partnered with the Department for Education to find a way to identify users and deliver services more effectively.

We have continued to win an increasing number of new clients and secured 7 new contracts worth over £3m in the year, up from 4 in FY2021, demonstrating our increasing ability to win and deliver more impactful projects.

Alongside delivering strong organic growth, we made two acquisitions in the period, and two post-period end. Together, these new businesses (Nudge Digital, RedCortex, Peak Indicators, and Swirl) have bolstered the Group's capabilities, particularly around data, and helped establish our presence in new regions in the UK.

Growth strategy

Since inception, our growth strategy has always been built on the idea of bringing together complementary companies in order to build a full-service digital transformation capability, able to deliver outcomes to large clients at a fraction of the cost and time of their traditional suppliers. We build the business through organic growth and acquisitions, with the aim of moving towards our commercial and impact visions. Our culture and values allow us to remain agile and entrepreneurial while we grow.

The change programme the Group is undergoing, to come together as a single company, will see us streamline our service offering to clients, enabling increased organic growth in the future. The integration of our businesses will allow us to more efficiently deliver our services to the organisations that underpin society and further our objective to maximise our impact and effect fundamental and sustainable change that shapes organisations, services and systems.

Commercial Vision for FY2025

Last year, we set out new Commercial and Impact Visions for FY2025. Below is a summary of our performance against these goals so far.

Ambition		FY2022 progress
1.	To achieve a run rate revenue of £200m (£150m public sector, £50m commercial sector) by March 2025	<ul style="list-style-type: none"> ● Revenue FY2022 of £79.7m up 58% ● Consensus revenue for FY2023 of £97.4m
2.	To deliver 10-15% organic revenue growth per annum	<ul style="list-style-type: none"> ● 16% organic revenue growth
3.	To make further earnings enhancing acquisitions to strengthen our offer, achieve greater scale and support our overall vision	<ul style="list-style-type: none"> ● Two acquisitions completed during the period, two post-period end
4.	To become a top 20 public sector supplier by March 2025 on run rate basis	<ul style="list-style-type: none"> ● Started integration to one brand to allow us to report as a single supplier
5.	To deliver 70% of operating profit through to positive cash flow	<ul style="list-style-type: none"> ● 110% OP to cash flow
6.	To deliver progressive dividend policy at 15%-20% of net income	<ul style="list-style-type: none"> ● Aggregate Dividends of 0.9p ● c.9% of net income (adjusted profit after tax)
7.	To deliver improving EBITDA margins	<ul style="list-style-type: none"> ● EBITDA margin of 15% (up 100 bps on FY2021)

Impact Vision for FY25

Ambition		FY2022 progress
1.	Work towards halving the 21 gaps	<ul style="list-style-type: none"> ● Made progress against 30% of

	that we have identified across representation, pay and inclusion for employees from underrepresented backgrounds.	our gaps this year, halving or removing 5/21
2.	To implement science-based reduction targets	● Created an in-house carbon tracker
3.	To kick-start 5,000 digital careers, reaching 5,000 unique beneficiaries through our community action and community investment programmes	● Kickstarted 686 careers in FY2022 adding up to over 1200 in total

Strategic progress

Brand consolidation under TPXimpact

In September 2021, we announced our intention to restructure, from a collection of businesses to a single company under the name TPXimpact. By operating as one company and one team we are able to work more collaboratively, pitch for and deliver larger projects, eliminate inefficiencies and - in the longer term - build more substantial brand value.

We have made significant progress on this change programme over the period. We have, for example, overhauled the operating structure of the group, creating an environment within which we have launched two divisions as of April 1 2022 under the TPXimpact umbrella: 'Consulting' and Digital Experience ('DX'). This structure better reflects the way that we operate and charge. Several of our companies are now trading solely under 'TPXimpact'. And, importantly, we've also brought together multiple HR teams into one structure, giving us for the first time a single consolidated view of our people, which will enable us to focus on key productivity areas such as time to recruit, staff turnover, learning and development and of course utilisation.

Post period end we continue to work on creating an improved, single operational structure, which is just beginning to deliver substantial benefits around the elimination of inefficiencies. In a step-change for the Group we are creating a more professional, robust, mature business. As we reconstruct the Group, we are being careful to evaluate each process and ensure it is best-in-class, giving ourselves the strongest possible foundation on which to build. While this process is taking longer than initially envisaged, we know that it will benefit us exponentially in the longer term. We therefore now anticipate the change programme continuing to run throughout the balance of FY2023, with some further one-off associated costs. As we move forward, we remain confident that coming together will drive our future success.

We have also started to invest in the TPXimpact brand, with a view towards creating a market leading and differentiated brand promise and then telling our target audiences about it. While there will be a transitional phase between our old brands being retired and the new one achieving higher recognition, in the long term this new, innovative enterprise brand will enable the Group to win bigger than ever before.

Complementary acquisitions

We have retained our core focus on acquiring complementary acquisitions to bolster our capabilities and enhance our go-to-market proposition. During the period, we acquired two companies:

- Nudge Digital, a Bristol-based digital services agency which delivers strategy-led services and has a good pipeline of pharmaceutical customers
- RedCortex Ltd, a Cardiff-based digital and cloud-based transformation Microsoft focused consultancy

And two more post-period end:

- Peak Indicators Ltd, a Chesterfield-based, leading data science services and analytics consultancy
- Swirl IT Ltd, a Stirling-based, open data consultancy specialist with a focus on data integration and dissemination in public sector organisations

A key benefit of the acquisitions has been to bolster the Group's position in Wales and Scotland.. As a result, we have won significant contracts with organisations based in these countries, for example with Digital Health and Care Wales, Transport for Wales and the Scottish Government.

In line with our commercial vision we remain focused on adding further earnings enhancing acquisitions in the current year.

Increased bank facilities

Post period end we have also renewed and extended our existing banking facilities with HSBC in order to provide access to further capital. We now have an extended revolving credit facility with HSBC (which has an initial term of three years and may be extended by a further year by mutual agreement) from £20.0m to £30.0m (of which £11m is undrawn) with a £15m accordion. The extended facility has the same security package as announced on 12 June 2019, namely that HSBC has taken security over TPX and all of the Group's material subsidiaries and their assets in connection with the RCF Facility. The RCF Facility contains

customary terms and covenants, including financial covenants. However, despite this increased facility, we reiterate our commitment to net debt being no more than 1.5x adjusted EBITDA.

Establishing a strong foothold in healthcare

Through complementary acquisitions, new contract wins and further embedding with existing clients we have maintained our public sector presence further during the year, with this market now representing c.72% of Group revenue (FY2021: 71%).

One sector within the public sector which is increasingly becoming a key focus is healthcare. In July 2021, as part of our strategy to expand our presence in the sector, we announced the appointment of Noel Gordon as Senior Advisor to the Group. Noel has experience in public healthcare and the not-for-profit sector, including in previous roles as Chair of NHS Digital and Chair of Healthcare UK's advisory board. His leadership, together with some fantastic case studies in this area from recent acquisitions, have enabled us to build an exciting pipeline of healthcare projects and we look forward to growing our presence in the sector going forward.

Continued strong performance in Commercial

For FY2022, 28% of Group revenue came from the commercial sector, and it remains a key focus area for the business as maintaining a healthy balance of Commercial business provides the Group with resilience through diversification.

In the period we strengthened our presence in utilities and pharma in particular. Acquisitions made during the year have also bolstered TPX's commercial sector portfolio, including contracts with two major multinational financial services companies brought to the Group through the acquisition of Peak Indicators.

Continued strength of digital transformation market

Digital transformation continues to be high on the agenda for organisations across the public and commercial sectors, with data from PWC revealing 60% of executives believe that digital transformation will be their most critical growth driver in 2022.

The UK Government announced a new Digital Strategy in June 2022, including a section on 'improving public services' that commits to publishing a cross-Government digital and data strategy later in 2022, setting out a vision for how the Government will improve the use of digital, data and technology across all public services. While the challenging broader macro-economic circumstances make operating in many spheres of business more difficult, facts such as these underpin our continued confidence moving forward.

Current trading and outlook

We are pleased to report over £20m of business won in Q1 FY2023. As part of this, we have made good strides in the commercial sector with at least three commercial clients expected to generate more than £3m revenue in the coming year. Alongside this, our latest acquisitions are performing well, with us already beginning to see substantial opportunities in Microsoft and data-based projects unlocking, thanks to the additional capabilities they brought the Group. Overall, we observe healthy market conditions and a continued high demand for our digital transformation services.

We have made significant progress on our change programme to move from a collection of businesses to a single company with unitary processes under the name TPXimpact, a process that has required a considerable investment of time and resource. This continued into the current year with investments being made in marketing our new brand, bringing in a number of senior hires across the organisation, centralised HR and finance teams and in improving our operational software.

Inevitably this had meant a period of substantial change in work processes and an internal focus which has, in the short term, impacted both top line growth and staff utilisation. This had a temporary impact on revenues and Adjusted EBITDA for April and May which have subsequently returned to more normalised levels in June and so far in July. As a consequence of this, we anticipate FY2023 to be a little more second half weighted than usual and have every confidence in meeting FY2023 market expectations of revenues of £97.4m and Adjusted EBITDA of £13.7m.

Financial Review

The year to 31 March 2022 saw significant further growth in the Group with statutory revenue up £29.4m or 58% to £79.7m (FY2021¹: £50.3m). The revenue increase was driven by like-for-like organic growth of 16% as well as the full year impact of FY2021 acquisitions and the acquisitions of Nudge in June 2021 and Red Cortex in December 2021. The revenue mix continued to be focused on public services which accounted for 72% of revenue, slightly up year on year, from 71% in 2021. Healthcare remained at 9% of revenue, growing year on year from £4.6m in 2021 to £7.2m in 2022.

We continued to see a large amount of repeat business from customers, with 67% of

customers billed in FY2022 also billed in FY2021, FY2020 or FY2019. Most excitingly we have seen an increase in the scale of the contracts we are now winning as a result of the combined services of the Group including seven deals over £3m up from just four in the prior year.

Gross Margins were flat at 31% against 31% in the prior year. We are targeting an improvement to our Gross Margin going forward and the strategy of moving to one brand and integrating operations is being implemented to achieve this. As multiple brands with separate operating models it meant that hiring decisions were being made on an individual company rather than group wide basis. This has meant that our contractor to permanent staff ratio is higher than we would like which has a negative impact on margins given the higher relative cost of contractors.

Adjusted EBITDA was £12.2m up from £7.1m¹ in FY2021 representing an increase of 72%. Statutory EBITDA was £11.5m, up from £1.9m¹ in FY2021 representing an increase of 505%. Adjusted EBITDA margin was 15% up from 14% in the prior year. Margin grew as a result of management costs not growing in line with revenue growth offset by an increase in post-Covid travel and entertaining related spend.

The Group reported its first statutory profit after tax on continuing activities of £2.5m (FY2021¹: loss of £2.0m). The Directors believe that an 'adjusted profit before tax' measure is more representative of the underlying performance of the Group. To arrive at adjusted results, adjustments made include acquisition and change related expenses, amortisation related to acquired intangibles and share-based payments and the impact of fair value adjustments along with the corresponding tax impact of the adjustments.

In addition, in the current year we have pulled out specific costs relating to the integration of group companies, the rebrand to TPXimpact.

The following table summarises the adjustments:

	2022 £'000s	2021 Restated ¹ £'000	2021 £'000s
Statutory profit / (loss) before tax on continuing operations	4,893	(1,656)	(1,845)
Amortisation of intangible assets relating to acquisitions	5,330	2,458	2,458
(Gain) / loss from fair value movement in contingent consideration	(2,517)	4,260	4,260
Share-based Payments	416	294	294
Costs relating to acquisition and restructuring	1,033	746	746
Costs relating to the change programme	1,764	-	-
Adjusted profit before tax on continuing operations	10,919	6,102	5,913
Tax (including impact of amortisation and costs relating to acquisition and restructuring adjustments)	(2,200)	(898)	(898)
Adjusted profit after tax on continuing operations	8,719	5,204	5,015

As a result of the acquisitive nature of the Group and its use of shares as consideration, the Directors believe that an adjusted share count for the purposes of calculating earnings per share is required. As such the Directors calculate an adjusted diluted share number by taking the weighted average basic shares and including the maximum shares to be issued in respect of contingent consideration to be paid, together with the maximum share options outstanding. The following table summarises the adjustments:

	2022 '000s	2021 '000s
Weighted average	84,583	63,784

basic shares (excluding contingent shares)		
Shares relating to future contingent consideration	4,051	13,728
Shares relating to share-based payments	3,732	4,436
	92,366	81,948
Adjusted diluted earnings per share (pence)	9.4	6.1

Based on these alternative non-GAAP measures the Group achieved adjusted profit after tax on continuing operations of £8.7m (FY2021¹: £5.2m) resulting in adjusted diluted earnings per share of 9.5p (FY2020: 6.1p). The statutory earnings per share for the period was 2.1p (FY2021: 3.5p loss).

¹ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in the accounting policies.

Cash Flow and cash conversion

Net cash generated from operations before tax and including lease payments was £6.5m. Cash conversion, calculated by reference to the adjusted profit before tax but after deducting costs relating to acquisition and restructuring was 110%.

In total, cash increased in the year from £5.7m to £7.9m but net debt increased from £7.3m to £10.1m as a result of payments made for acquisitions completed in the period. The cash consideration for the acquisitions was £8.1m, with £3.1m funded from cash reserves and £5.0m funded through a drawdown from our revolving credit facility with HSBC. The net debt position at the year end was significantly below 1x Pro Forma EBITDA.

Post period end HSBC have extended their revolving credit facility with the Group to £30m with a £15m accordion. The new facility is a sustainability-linked revolving credit facility that incorporates targets which align with our long-term ESG objectives. £19m has been drawn down in total for acquisitions leaving the Group at the year end with a further £11m to draw down for further acquisitions. This together with cash flow generated from operations provides a strong basis to continue our acquisitive growth into FY2023 although we remain committed to maintaining net debt to EBITDA below 1.5x.

Balance Sheet

Goodwill and Intangible assets in aggregate have increased significantly in the year as a result of the acquisitions completed.

Total deferred consideration at 31 March 2022 was £2.6m. We continue to note that this is a liability that will be satisfied through the issue of shares and not through cash. Once this is removed, the Group's current ratio at the year end was 1.6 (FY2021: 1.6) providing solid liquidity.

Dividend

The Board are pleased to announce a final dividend of 0.6p per share subject to approval at the AGM. The proposed final dividend, if approved by shareholders, will be paid on 14 October 2022 to shareholders on the register at the close of business on 7 October 2022. This will take the total dividend paid to shareholders in respect of FY2022 to 0.9p per share up 125% year on year in line with the Board's progressive dividend policy.

Additional consideration

As at 31 March 2022, the total value of consideration that is payable is £3.6m, resulting in maximum further shares to be issued totalling 4.5m which reduces to 2.4m based on the closing share price as at 15 July 2022. A claw-back of £0.5m is due to the Group on publication of the Group's FY2022 financial statements resulting in a clawback of 0.4m shares. This is a significant reduction on prior year and reflects the Board's switch to non-earn-out based acquisitions.

Value £'000	Minimum share price	Max shares to be issued '000
961	0.740	1,299
1,587	0.820	1,935
119	0.825	144
898	0.831	1,081
(500)	1.225	(408)
3,065		4,051

Oliver Rigby
Chief Financial Officer

Consolidated Income Statement

For the year ended 31 March 2022

	Note	Unaudited 2022 £'000	Audited Restated ¹ 2021 £'000
Revenue		79,709	50,315
Cost of Sales		(55,341)	(34,479)
Gross Profit		24,368	15,836
Administrative expenses		(19,371)	(17,586)
Other income		579	394
Operating profit / (loss)		5,576	(1,356)
Finance income		-	3
Finance costs		(683)	(303)
Profit / (Loss) before tax on continuing operations		4,893	(1,656)
Taxation		(2,396)	(384)
Profit / (Loss) after tax on continuing operations		2,497	(2,040)
Loss after tax on discontinued operations		(723)	(189)
Net profit / (loss)		1,774	(2,229)
Other Comprehensive income			
Exchange difference on translation of foreign operations		(226)	85
Total comprehensive profit / (loss) for the period		1,548	(2,144)
Earnings per share from continuing and discontinued operations			
Basic (p)	4	2.1p	(3.5p)
Fully diluted (p)	4	2.0p	(3.5p)
Earnings per share from continuing operations			
Basic (p)	4	2.9p	(3.2p)
Fully diluted (p)	4	2.8p	(3.2p)

¹ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, as described in the accounting policies.

Consolidated Statement of Financial Position

For the year ended 31 March 2022

	Unaudited 2022	Audited 2021
	£'000	£'000
Non-current assets		
Goodwill	66,157	53,323
Intangible assets	28,493	29,370
Property, plant and equipment	297	292
Right of use assets	1,293	445
Deferred tax assets	47	15
Total non-current assets	96,287	83,445
Current assets		
Trade and other receivables	16,853	14,014
Contract assets	3,840	1,144
Other taxes and social security costs	71	137
Cash and cash equivalents	7,914	5,734
Assets held for sale	708	-
Total current assets	29,386	21,029
Total assets	125,673	104,474
Current liabilities		
Trade and other payables	(7,718)	(5,681)
Contract liabilities	(4,536)	(1,941)
Other taxes and social security costs	(6,064)	(5,326)
Deferred and contingent consideration	(2,362)	(8,478)
Lease liabilities	(416)	(336)
Borrowings	(20)	(55)
Liabilities directly associated with assets held for sale	(103)	-
Total current liabilities	(21,219)	(21,817)
Non-current liabilities		
Deferred tax liabilities	(6,696)	(5,133)
Deferred and contingent consideration	(198)	(3,741)
Borrowings	(18,000)	(13,000)

Provisions - dilapidations	-	(76)
Lease liabilities	(878)	(53)
Total non-current liabilities	(25,772)	(22,003)
Total liabilities	(46,991)	(43,820)
Net assets	78,682	60,654
EQUITY		
Share capital	874	804
Own shares	(356)	-
Share premium	6,449	5,691
Merger reserve	77,159	60,926
Capital redemption reserve	5	5
Other reserves	997	796
Retained earnings	(6,002)	(7,568)
Reserves of a disposal group held for sale	(444)	-
Total equity	78,682	60,654

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

	Share capital	Share premium	Merger reserve	Capital Redemption	Foreign exchange reserve	Share Option Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2020	551	5,673	25,804	5	66	368	(5,201)	27,266
Loss for the period	-	-	-	-	-	-	(2,229)	(2,229)
Exchange differences on translation of foreign operations	-	-	-	-	68	-	-	68
Transactions with owners								
Shares issued	253	18	35,122	-	-	-	-	35,393
Dividends paid	-	-	-	-	-	-	(138)	(138)
Share - based payments	-	-	-	-	-	294	-	294
Equity at 31 March 2021 (Audited)	804	5,691	60,926	5	134	662	(7,568)	60,654

	Share capital	Share premium	Merger reserve	Capital Redemption	Own shares	Foreign exchange reserve	Share Option Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2021	804	5,691	60,926	5	-	134	662	(7,568)	60,654
Profit for the period	-	-	-	-	-	-	-	1,774	1,774
Exchange differences on translation of foreign operations	-	-	-	-	-	(226)	-	-	(226)
Transactions with owners									
Shares issued	80	-	17,779	-	-	-	-	-	17,859
Share cancellations	(10)	-	(1,546)	-	-	-	-	-	(1,556)
Dividends paid	-	-	-	-	-	-	-	(652)	(652)
Share - based payments	-	758	-	-	(257)	-	427	-	928
Own shares purchased by EBT	-	-	-	-	(99)	-	-	-	(99)
Equity at 31 March 2022 (Unaudited)	874	6,449	77,159	5	(356)	(92)	1,089	(6,446)	78,682

Consolidated Statement of Cash Flows

for the year ended 31 March 2022

	Unaudited 2022	Audited 2021
	£'000	£'000
Cash flows from operating activities:		
Profit / (loss) before taxation on total operations	4,131	(1,845)
Adjustments for:		
Depreciation	597	835
Amortisation	5,330	2,509
Share-based payments	429	294
Foreign exchange gains	(62)	(5)
Finance expense	683	303
Finance income	-	(1)
(Gain) / loss in fair value of contingent consideration	(2,517)	4,260
Profit on disposal of property, plant and		

equipment	4	-
-----------	---	---

Working capital adjustments:

Increase in trade and other receivables	(3,742)	(1,032)
Increase in trade and other payables	4,193	483

Net cash generated from operations	9,046	5,801
---	-------	-------

Tax paid	(1,614)	(159)
----------	---------	-------

Net cash generated from continuing operating activities	7,432	5,642
--	-------	-------

Net cash used in discontinued operating activities	(748)	-
--	-------	---

Net operating cash flows from total activities	6,684	5,642
---	-------	-------

Cash flows from investing activities:

Net cash paid on acquisition of subsidiaries	(7,307)	(10,813)
--	---------	----------

Deferred consideration payment	-	(259)
--------------------------------	---	-------

Purchase of property, plant and equipment	(249)	(137)
---	-------	-------

Additions to intangibles	(292)	(321)
--------------------------	-------	-------

Proceeds from sale of PPE	6	-
---------------------------	---	---

Interest received	-	1
-------------------	---	---

Net cash used in investing activities from continuing activities	(7,692)	(11,529)
---	---------	----------

Net cash used in investing in discontinued activities	(165)	-
---	-------	---

Net cash used in investing activities for total activities	(8,007)	(11,529)
---	---------	----------

Cash flows from financing activities:

New borrowings	5,000	8,000
----------------	-------	-------

Proceeds from exercise of share options	509	-
---	-----	---

Purchase of own shares	(99)	-
------------------------	------	---

Payment of lease liabilities	(362)	(610)
------------------------------	-------	-------

Finance costs	(711)	(331)
---------------	-------	-------

Dividends paid	(652)	(138)
----------------	-------	-------

Net cash generated from financing activities	3,685	6,921
---	-------	-------

Net increase in cash and cash equivalents	2,362	1,034
--	-------	-------

Cash and cash equivalents at beginning of the period	5,734	4,614
--	-------	-------

Effect of exchange rate fluctuations on cash held	(148)	86
---	-------	----

Cash from discontinued operations	(34)	-
-----------------------------------	------	---

Cash and cash equivalents at end of the period	7,914	5,734
---	-------	-------

Comprising:

Cash at bank and in hand	7,864	5,734
Cash held by trust	50	-
Cash and cash equivalents at end of the period	7,914	5,734

Notes to the Consolidated Financial Statements

1. General information

TPXImpact Holdings plc is a public limited company incorporated in England and Wales under the Companies Act 2006 with registered number 10533096. The Company's shares are publicly traded on the AIM Market of the London Stock Exchange.

The address of the registered office is 7 Savoy Court, London, England, WC2R 0EX. The principal activity of the Group is the provision of digitally native technology services to clients within the commercial, government and non-government organisation (NGO) sectors.

The financial information set out in this announcement does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006 for the year ended 31 March 2022.

The statutory accounts for the year ended 31 March 2022 have not yet been delivered to the Registrar of Companies, nor have the auditors yet reported on them. The preliminary announcement does not constitute statutory accounts under Section 435 of the companies Act 2006.

2. Basis of preparation

The Consolidated Financial Statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) in conformity with the Companies Act 2006 and the AIM rules for Companies. The measurement bases and principal accounting policies of the Group are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

After reviewing the budgets and cash projections for the next twelve months and beyond, the Directors believe that the Group have adequate resources to continue operations for the foreseeable future and for this reason they have adopted a going concern basis in preparing these financial statements.

In considering the business activities for the forthcoming 12 months, the directors have assessed the impact of principal risks and uncertainties through scenario modelling. This includes an assessment of the ongoing impact of Covid-19 and inflation by assessing the impact on our services, sector, customers and through looking at trends in the digital transformation sector.

At year end, the Group has a rolling credit facility with HSBC of £20m of which £18m has been drawn down. Of the £20m, the £2m is available as a working capital facility. This facility with HSBC, together with strong cash reserves within the Group provide comfort over the viability of the Group to prepare the financial statements on a going concern basis. Post period end HSBC have extended their revolving credit facility with the Group to £30m with a £15m accordion. The new facility is a sustainability-linked revolving credit facility that incorporates targets which align with our long-term ESG objectives.

After performing all the above assessments and through modelling scenarios, it is concluded that we would maintain sufficient undrawn capacity and satisfy all borrowing facility covenants in the next 12 months.

The financial statements include the financial results of the subsidiaries listed below for the full year except for the acquisitions in the year which have been incorporated from the date of acquisition. All subsidiaries are incorporated in the UK unless otherwise stated:

- Bene Agere Norden AS (incorporated in Norway)
- Manifesto Digital Limited
- Foundry4 Consulting Limited
- Human Plus Limited
- Questers Global Group Limited
- Questers Resourcing Limited
- Questers Bulgaria EOOD
- Deeson Group Holdings Limited
- Deeson Group Limited
- iDisrupted Limited
- Greenshoot Labs Limited - subsidiary held for sale
- FutureGov Limited
- FutureGov Australia Pty Limited - ceased trading in the year
- US Creates Limited
- Ameo Professional Services Limited
- Arthurlly Limited
- Difrent Limited
- Keep IT Simple Limited
- Nudge Digital Limited - acquired on 30 June 2021
- Red Cortex Limited - acquired on 8 December 2021

The results, assets and liabilities of the TPXImpact Holdings Plc Employee Benefit Trust ('Employee Trust') have been included in the Group financial statements. The costs of purchasing own shares held by the Employee Trust are shown as a deduction in arriving at total shareholders' equity. The proceeds from the sale of own shares held increase shareholders' equity. Any gains or losses arising from the sale or repurchase of own shares are reflected directly in reserves and do not affect the consolidated profit for the year.

3. Principal accounting policies

a) Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 March 2022. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries or associates are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with using the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the cost bases for subsequent measurement in accordance with the Group accounting policies.

The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts, to the extent that they exceed the settlement amounts, are generally recognised in the profit or loss. Any deferred contingent consideration payable is measured at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of consideration payable over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

The Group disposed of its subsidiary Greenshoot Labs Limited ('GSL') on 24 May 2022. The operations of GSL is therefore presented as discontinued operations. Note 6 sets out the details and impact of discontinued operations

b) Goodwill

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired, and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to acquisition, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. Goodwill is carried at cost less accumulated impairment losses.

Impairment review is carried out annually. If there is an impairment, the cost is reduced by the accumulated impairment amount.

c) Revenue and revenue recognition

Revenue consists of the value of work delivered to clients during the year exclusive of VAT and is recognised as performance obligations are met in accordance with the terms of the contract which are primarily on a time and materials basis. Revenue is wholly attributable to the principal activities of the Group. The Group adopts IFRS 15 principles in recognising the revenue. Revenue recognised in excess of invoices raised is included within contract assets. Where amounts have been invoiced in excess of revenue recognised, the excess is included within contract liability.

The majority of the services are provided on a time and material basis where clients are billed monthly for the time spent on a project which corresponds directly with the value to the customer of the entity's performance completed to date and accordingly revenue is recognised at the amount billed. For fixed-price contracts where criteria to recognise performance obligations over time have been met, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined by actual labour hours and cost incurred relative to the total expected labour hours and cost. The use of labour hours and costs is a faithful depiction of the transfer of services as it directly relates to the effort required to satisfy the performance obligation. Only inputs relating directly to the performance in transferring the services are included when measuring progress to date. Due to changing circumstances, extent of progress and completion may be revised which may affect revenue and costs. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Majority of the contracts are on single performance obligations. However, some contracts include multiple deliverables. In most cases, the deliverable is separately identifiable from other promises in the contract; therefore, it is accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Standard terms of payment within 30 or 60 days are typically adopted. There is therefore no financing component.

Revenue is recognised when the Group satisfies the performance obligations. For the majority, contracts are for performance obligations that are satisfied over time. However, there are some contracts which contain performance obligations that are only satisfied at a point in time. The revenue for these contracts is recognised when the performance obligation has been satisfied, for project development work this occurs when the customer accepts the final output.

When the customer has a right to return the product within a given period, the entity is obliged to refund the purchase price. For instance, if potential candidates put forward are considered unsuitable by the client and no one is recruited. The contract stipulates reimbursement of 50% - 100% of the fee, under the agreed terms of contract. Under IFRS15, revenue is only recognised to the extent it is highly probable there will not be a significant reversal of revenue in a future period and is usually therefore recognised only when a successful candidate is recruited.

A small number of contracts have variable consideration associated with it, whereby a bonus is paid if certain cost savings are made by the client. These are recognised using the 'most likely amount method' once it has been identified that a significant reversal in the amount of cumulative revenue will not occur.

d) Intangible assets acquired as part of a business combination and amortisation

In accordance with IFRS 3 "Business Combinations", an intangible asset acquired in a business combination is recognised at fair value at the acquisition date. A fair value calculation is carried out based on evaluating the net recurring income stream from each type of intangible asset. Intangibles are initially recognised at fair value, and are subsequently carried at this fair value, less accumulated amortisation and impairment. The following items were identified as part of the acquisitions of entities by the Group and were still owned at 31 March 2022:

- brand amortised over two to five years;
- customer lists amortised over three to eight years;
- database over five years;
- Intellectual property over ten years and
- Software over three years

The allocation of fair values to the tangible assets and the identification and valuation of intangible assets affect the calculation of goodwill recognised in respect of an acquisition and as such represent a key source of estimation uncertainty.

4. Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares excludes shares held by an Employee Benefit Trust and has been adjusted for the issue/purchase of shares during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. These represent share-based payments granted to employees where the exercise price is less than the average market price of the Company's ordinary shares and share purchase agreements where the terms and conditions could affect the measurement of basic and diluted earnings per share during the year ended 31 March 2022. A number of shares that were issued during the period are contingent on certain conditions being met and therefore these have been excluded from the calculation of the weighted average number of Ordinary Shares in issue.

	Unaudited 2022 Number of shares	Audited 2021 Number of shares '000
For the year	'000	'000
Weighted average number of shares in issue, basic	84,583	63,783
Contingent consideration where all conditions are met	1,698	-
Less: Shares held by the Employee Benefit Trust (weighted average)	(3)	-
Less: Shares held by the SIP (weighted average)	(67)	-
Weighted average number of shares for calculating basic earnings per share	86,211	63,783
Weighted average number of dilutive shares	1,768	-
Weighted average number of shares for calculating basic earnings per share	87,979	63,783

	Unaudited 2022 £'000	Audited 2021 £'000
For the year		
Profit / (Loss) after tax on continuing operations	2,497	(2,040)
Loss after tax on discontinued operations	(723)	(189)
Profit / (Loss) after tax on total operations	1,774	(2,229)

Earning per share is calculated as follows:

	Unaudited 2022	Audited 2021
For the year		
Basic earnings per share on continuing operations	2.9p	(3.5)p
Basic earnings per share on discontinued operations	(0.8)p	-
Basic earnings per share on total operations	2.1p	(3.5)p

	Unaudited 2022	Audited 2021
For the year		
Diluted earnings per share on continuing operations	2.8p	(3.5)p
Diluted earnings per share on discontinued operations	(0.8)p	-
Diluted earnings per share on total operations	2.0p	(3.5)p

5. Adjusted EBITDA

Our consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which distort period-on-period comparisons. These are considered non-GAAP financial measures, and include measures such as like-for-like revenue, adjusted EBITDA and net debt. We believe this information, along with comparable GAAP measurements, is useful to shareholders and analysts in providing a basis for measuring our financial performance.

	Unaudited 2022 £'000	Audited 2021 £'000
Operating profit / (loss)	5,576	(1,543)
Amortisation of intangible assets	5,330	2,509
Depreciation	597	835
Loss from fair value movement in contingent consideration	(2,517)	4,260
Share-based payments	416	294
Costs directly attributable to business combinations	1,013	496
Costs relating to the Change Programme	1,764	-
Costs relating to business restructuring	20	250
Adjusted EBITDA	12,199	7,101

6. Discontinued operations

On 1 December 2021 the group announced its intention to dispose of Greenshoot Labs Limited, "GSL", a wholly owned subsidiary. The Board considers that GSL has a great product, however it would require significant investment to develop the right sales and marketing functions required to gain commercial traction in an Enterprise software market. As the entity operates within a non-core sector for the group, the directors made the decision to dispose of the entity.

The associated assets and liabilities were consequently presented as held for sale in the 2022 financial statements. The sale of the subsidiary was completed post year end on 24 May 2022 and as such is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the is set out below.

	Unaudited 2022 £'000	Audited 2021 £'000
Revenue	93	782
Cost of Sales	(439)	(489)
Gross Profit	(346)	293
Administrative expenses	(427)	(499)
Other income	16	19
Operating profit / (loss)	(758)	(187)
Finance income	-	(2)
Finance costs	(4)	-
Profit / (Loss) before tax from discontinued operations	(762)	(189)
Taxation	39	-
Profit / (Loss) for the year from discontinued operations	(723)	(189)

The major classes of assets and liabilities of Greenshoot Labs Limited classified as held for sale as at 31 March 2022 are, as follows:

	Unaudited 2022 £'000
Assets	
Intangible assets	579
Property, plant and equipment	8
Trade and other receivables	19
Contract assets	13

Other tax and other statutory assets	55
Cash and cash equivalents	34
Assets held for sale	708
Liabilities	
Trade and other payables	(86)
Other tax and other statutory liabilities	(17)
Liabilities directly associated with assets held for sale	(103)
Net assets directly associated with disposal group	606
Reserves of a disposal group held for sale	444

Immediately before the classification of Greenshoot Labs Limited as discontinued operations, the recoverable amount was estimated for the assets of the entity and no impairment loss was identified. As at 31 March 2022, there was no further write-down as the carrying amount of the disposal group did not fall below its fair value less costs to sell.

A write back of the intercompany loan with TPXimpact Holdings plc was recognised during the year resulting in gains on £1.7m being recorded.

Income statement reconciliation:

	Unaudited Continuing 2022 £'000	Unaudited Discontinued 2022 £'000	Unaudited Total 2022 £'000	Audited Continuing 2021 £'000	Audited Discontinued 2021 £'000	Audited Total 2021 £'000
Revenue	79,709	93	79,802	50,315	782	51,097
Cost of Sales	(55,341)	(439)	(55,780)	(34,479)	(489)	(34,968)
Gross Profit	24,368	(346)	24,022	15,836	293	16,129
Administrative expenses	(19,371)	(427)	(19,798)	(17,586)	(499)	(18,085)
Other income	579	16	595	394	19	413
Operating profit / (loss)	5,576	(758)	4,818	1,356	(187)	(1,543)
Finance income	-	-	-	3	(2)	1
Finance costs	(683)	(4)	(687)	(303)	-	(303)
Profit / (Loss) before tax	4,893	(762)	4,131	1,656	(189)	(1,845)
Taxation	(2,396)	39	(2,357)	(384)	-	(384)
Profit / (Loss) after tax for the year	2,497	(723)	1,774	(2,040)	(189)	(2,229)

7. Post balance sheet events

On 6 April 2022, The TPXimpact Holdings plc acquired the entire issued share capital of Swirrl IT Limited, a software and services business. The core operations of the business are to help government organisations to disseminate and manage their data enabled decisions. Swirrl IT Limited, company registration number SC337356 is incorporated in Scotland. Its registered office is Macfarlane Gray House Castlecraig Business Park, Springbank Road, Stirling, Stirlingshire, FK7 7WT. The consideration for the acquisition was £3.2m, satisfied through the payment of £1.2m cash and the issue of 888,888 new ordinary shares in The TPXimpact Holdings plc.

On 7 April 2022, The TPXimpact Holdings plc acquired the entire issued share capital of Peak Indicators Limited, a visionary data science and analytics consultancy offering services such as analytics, Data engineering and Data science. Peak Indicators Limited, company registration number 06704556 is incorporated in England. Its registered office is 7 Savoy Court, London, United Kingdom, WC2R 0EX. The consideration for the acquisition was £3.46m, satisfied through the payment of £1.35m cash and the issue of 938,888 new ordinary shares in TPXimpact Holdings plc. The Group is currently performing a fair value review of Peak Indicators Limited and Swirrl IT Limited's assets and liabilities and will report these within its next published financial statements.

Post period end HSBC have extended their revolving credit facility with the Group to £30m with a £15m accordion. The new facility is a sustainability-linked revolving credit facility that incorporates targets which align with our long-term ESG objectives.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR EAAXPFKAEAA