

12 September 2024

Inspired PLC
("Inspired" or the "Group")

Results for the six months ended 30 June 2024

Underlying growth across all four divisions in the period with a focus on cash generation

Inspired (AIM: INSE), a leading technology-enabled service provider delivering solutions to enable businesses to transition to net-zero and manage their response to climate change, announces its consolidated, unaudited half-year results for the six-months ended 30 June 2024.

Financial Highlights

| | H1 2024 | H1 2023 | % change |
|--|----------------|----------------|-----------------|
| Revenue | £45.02m | £44.63m | 0.9% |
| Gross profit | £33.96m | £30.99m | 9.6% |
| Adjusted EBITDA* | £10.94m | £10.57m | 3.5% |
| Adjusted profit before tax (PBT)** | £5.73m | £6.24m | (8.2)% |
| Underlying cash generated from operations*** | £9.14m | £3.40m | 168.8% |
| Adjusted diluted EPS**** | 4.37p | 4.84p | (9.7)% |
| Net debt | £(57.57)m | £(49.10)m | 17.3% |
| Interim dividend per share | 1.45p | 1.40p | 3.6% |

- Growth in Group revenues with all four of the Group's divisions delivering growth in gross profit and Adjusted EBITDA reflecting robust trading.
- Adjusted PBT of £5.7m (H1 2023: £6.2m), with the increase in adjusted EBITDA offset by an increase in finance costs to £2.6m (H1 2023: £2.0m). Finance costs were higher than in H1 2023 reflecting a higher level of debt over the period and increased interest rates.
- Underlying operating cash conversion was 88% (H1 2023: 32%), benefiting from the profile of trade and the unwinding of the working capital investment in H2 2023 within the Optimisation Division in the period.
- Paid £8.6m (H1 2023: £8.6m) in contingent consideration fees in the period, relating to the achievement of earnout targets by prior acquisitions. The Group has £2.2m in contingent consideration due in H2 2024, following which the Group will have no further contingent consideration payments to fund.
- The Board's stated objective is to maintain net debt at less than 2.00x Adjusted EBITDA subject to the short-term impact of acquisition payments. Following the payment of the £8.6m contingent consideration in the period, net debt increased to £57.6m equating to 2.29x FY23 Adjusted EBITDA but it is the Board's intention to reduce this nearer to 1.00x Adjusted EBITDA.
- Interim dividend increased 3.6% to 1.45p (H1 2023: 1.40p).

Divisional highlights

Assurance Services

- Continued high levels of new business generation, improved churn rates and stabilisation of margins as expected.
- Revenue growth of 3% to £18.9m (H1 2023: £18.3m) and Adjusted EBITDA of £7.8m (H1 2023: £7.7m), at a margin of 41% (FY 2023: 41%).
- Secured several new client wins, including Young & Co Brewery, Student Roost, Paddy Power, Ideal Standard, Eurosport, IMO Car Wash Group, Total Fitness Health Clubs, Special Melted Products, European Tyre Enterprise and Aspire Housing.

ESG Services

- Revenue increased 17% to £2.8m (H1 2023: £2.4m) with Adjusted EBITDA contribution to the Group of £0.7m (H1 2023: £0.0m).
- ESG Services remains an exciting opportunity for the Group as it brings in new clients and helps to meet increasing statutory requirements.
- Secured several new client wins, including Crest Nicholson Holdings plc, Siemens Mobility, and Leonardo Hotel Management, alongside cross sells from Assurance Services clients such as Headlam Group, McAlpine & Co and British Car Auctions.

Optimisation Services

- Revenue declined 4% however gross profit grew 21% to £12.6m (H1 2023: £10.4m) reflecting a change in mix of products and services in the period. The Group focuses on gross profit as the KPI, in light of the ongoing fluctuations in mix.
- Margins remain robust, with management continuing to focus on working capital cycles and improving payment terms.
- Repeatable demand from existing Optimisation Services clients alongside cross sells from Assurance Services including Gold Medal Travel, Aldi stores and Nuffield Health.

Software Services

- Revenues up 17% to £1.8m (H1 2023: £1.5m). This was driven by new client acquisition and an increase in revenue generated from existing customers; in excess of 80% of expected revenues in 2024 coming through renewals of existing customer licenses.
- Planned launches of new modules in 2024 will help enhance the platform's capabilities and provide scope for further revenue growth within the division.

Current trading and outlook

- Momentum in the business has continued into H2 2024 and trading is in line with expectations. Guidance for full year Adjusted EBITDA remains unchanged.
- A record level pipeline across all divisions both in terms of size and number of projects provides confidence on the Group's performance into FY25. Management remains focused on diversifying its pipeline in Optimisation Services with the integration of the Inspired Optimisation and Ignite operations.
- As announced in H1 trading update on 16 August 2024, delivering full year results in line with market consensus is dependent on delivering a small number of significant optimisation services projects, which are expected to be contracted and commence on-site in Q4 2024. Inspired continues to make progress towards the delivery of the three most significant projects expected in Q4 2024; one of these projects has now commenced, the second and third are awaiting final confirmation. If there are delays in the start time of the other two projects, the result could be a significant portion of their profit contribution shifting into H1 2025.

Commenting on the results, Mark Dickinson, CEO of Inspired, said: "The Group performed in line with management expectations in the first half of the financial year, driven by our strategy focused on cross-selling and upselling to existing customers and new client acquisition. We are better placed than ever as a full-service sustainability provider to support UK businesses to deliver net-zero and manage the estimated £138bn costs of doing so between 2024 and 2050.

"The timing of Optimisation projects commencement in Q3 2024 highlights the strategic challenges of managing the phasing of certain projects that help clients implement their net-zero solutions across reporting periods. We are working to get these underway in Q4.

"Looking ahead, our pipeline across the four divisions is at a record level both in terms of size and number of projects. Having accelerated the integration of Ignite with the Inspired Optimisation business we have an opportunity to significantly increase the overall capacity of our delivery engine to reduce client concentration in FY25 and beyond."

Note

**Adjusted EBITDA is earnings before interest, taxation, depreciation, and amortisation, excluding exceptional items and share-based payments.*

***Adjusted profit before tax is earnings before tax, amortisation of intangible assets (excluding internally generated amortisation related to computer software and customer databases), exceptional items, share-based payments, the change in fair value of contingent consideration and foreign exchange gains/(losses) (A reconciliation of adjusted profit before tax to reported profit before tax can be found in note 4)*

****Underlying cash generated from operations is cash generated from operations, as adjusted to remove the impact of restructuring costs and fees associated with acquisitions.*

*****Adjusted diluted earnings per share represents the diluted earnings per share, as adjusted to remove amortisation of intangible assets (excluding internally generated amortisation related to computer software and customer databases), exceptional items, share-based payments, the change in fair value of contingent consideration and foreign exchange gains/(losses)*

An overview video of the results, by CEO Mark Dickinson, is available to watch here: https://bit.ly/Inspired_H124_overview

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Chair's Statement

Inspired has made robust progress in the first half of the financial year, as the secular demand from companies to reduce energy consumption, drive efficiencies and report against progress continues. We have seen interest in our services continue to grow across all four divisions during the period, particularly in ESG Services and Optimisation Services, with demand for our Assurance Services expanding as new business opportunities remain high.

The Group performed in line with management expectations in the first half of the financial year, reflecting the resilience of our business. We remain focused on cash generation. Following the termination of the Deed of Variation in relation to Ignite Energy LTD, and the final contingent consideration payment relating to the Businesswise Solutions Ltd transaction of £2.2m in H2 2024, the Group will have no further contingent consideration payments to fund.

The Board's objective is to maintain net debt to less than 2.00x Adjusted EBITDA, subject to the short-term impact of acquisition payments. Noting £8.6m of contingent consideration payments made in H1 2024, at the period end, we were slightly above this target. However, through cash generation and the absence of any contingent consideration payments, it is the Board's intention to begin reducing net debt to nearer 1.00x Adjusted EBITDA. Accordingly, cash generated from operations will now primarily be allocated towards reducing the Group's net debt position and the pursuit of organic growth opportunities, particularly those in Optimisation Services.

We have a resilient business model thanks to the strategy we adopted to diversify our product offering in 2019. This diverse offering has underpinned our performance in the first half of the financial year and is the framework that gives us the ability to work towards our strategic objectives.

Deed of Termination - Ignite Energy LTD ("Ignite")

As announced in the Group's H1 trading update in August, Inspired has accelerated the integration of Ignite and terminated the Deed of Variation, eliminating any remaining contingent payment obligations related to the Ignite acquisition. The Group now anticipates a full transition of senior leadership of Ignite will be completed by 31 May 2025, two years earlier than previously expected. The Group has entered into consultancy agreements with David Higgins and Benjamin Higgins, vendors of Ignite. Based on management's current expectations for the Ignite business, the total "on target" performance fee payable would be £2.3m, payable in two instalments in H1 2025 which would be satisfied from existing cash resources.

Dividend

Inspired has established a track record of delivering profitable and cash-generative growth which has facilitated a consistent and progressive dividend policy. Accordingly, the Board is pleased to announce an interim dividend of 1.45 pence (H1 2023: 1.40 pence). The dividend aligns with the Board's stated policy of a dividend cover of at least 3x earnings, with the objective of delivering progressive dividend growth over time. The dividend will be payable on 13 December 2024 to all shareholders on the register on 11 October 2024 and the shares will go ex-dividend on 10 October 2024.

Our People

On behalf of the Board, I would like to thank our colleagues, who continue to work tirelessly to support our customers. The Group's priority remains to help customers mitigate the rising cost of energy, manage their energy consumption and continue to reduce carbon emissions.

Richard Logan

Chair

11 September 2024

Chief Executive Officer's Statement

The Group performed in line with management expectations in the first half of the financial year, driven by our strategy focused on cross-selling and upselling to existing customers and new client acquisition. As we stand today, we are positioned better than ever as a full-suite sustainability service provider, as managing energy costs and ESG considerations continue to be operationally and commercially critical for most businesses, leading to sustained and increasing demand for Inspired's products and services.

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Strategy

The delivery of net-zero is a critical requirement for society and Inspired has worked hard to successfully position the Group as a leading provider of practical sustainability solutions to help businesses meet this challenge in a structured and pragmatic way over the next 25 years. To maintain this leading position, our strategy is focused on our client lifetime value ("CLV") by ensuring that our customers have access to, and make use of, our full suite of services, which is driving a step change in our business.

Our strategy is based on three key macro themes:

1. To help clients manage their costs in the face of volatile and ever-increasing utility costs ("Energy Crisis Defence").
2. To deliver ESG disclosures to ensure clients comply with their regulatory obligations and support them with protecting their revenues as such disclosures increasingly become a prerequisite for protecting revenues ("ESG Disclosures").
3. To provide and implement the solutions that actually remove units of carbon and energy consumption from their business operations ("net-zero").

The last twelve months have seen clients develop their approach to managing net-zero; as the ESG targets they have previously declared, be they science-based targets or net-zero commitments, evolve. We are seeing our clients start to implement solutions that are based on delivering carbon savings as opposed to simple return on investment criteria.

Assurance Services

Assurance Services helps businesses manage all aspects of energy and utility pricing data and accounting. In H1 2024, the division delivered highly encouraging momentum in new business generation, with churn rates continuing to improve to deliver revenue growth, and margins stabilising as expected. Assurance Services provides access to some of the largest, most exciting companies, which, when coupled with the interconnectivity of our divisions, helps boost our cross-selling opportunities to win further ESG reporting and Optimisation work with clients.

Assurance Services generated 42% of Group revenues and with its higher margins, remained the largest contributor to the Group's financial performance. During H1 2024 and we have been delighted with some new Assurance client wins including: Young & Co Brewery, Student Roost, Paddy Power, Ideal Standard and Eurosport.

The focus of Assurance Services is first and foremost to deliver a quality service to our clients, which creates the right environment and opportunity to introduce the wider service offering of the Group at the appropriate time.

ESG Services

ESG Services helps businesses make revenue-critical ESG disclosures to retain their customers, to comply with regulations and attract investment. The Group is uniquely positioned to implement the decarbonisation solutions they design through the Optimisation Services division, allowing our clients to achieve their net-zero ambitions.

ESG Services delivered 17% revenue growth with new client wins in H1 including: Crest Nicholson Holdings plc, Siemens Mobility and Leonardo Hotel Management, alongside cross sells from Assurance Services clients such as Headlam Group, McAlpine & Co, and British Car Auctions.

As we progress into H2 2024, in addition to growing the number of clients served by the ESG division, we are focused on developing new services which will support clients with the challenges and opportunities presented by the Corporate Sustainability Reporting Directive (CSRD) and the Taskforce on Nature Related Financial Disclosures (TNFD).

Optimisation Services

Optimisation Services enhances client value by meeting the growing need for net-zero solutions and cost reduction, aligning with ESG and climate change priorities.

During H1 2024, the division delivered 48% of total Group revenues for the period, with 21% Gross profit growth compared to H1 2023. This was achieved by increasing levels of repeatable demand from existing clients alongside cross selling opportunities from Assurance Services, with highlights including Gold Medal Travel, Aldi stores and Nuffield Health.

A key focus following on the H1 2024 period end has been on the strategic challenges of managing the timing of delivering significant Optimisation projects for clients as they manage the practicalities of their own business performance in a changing macro environment.

As highlighted in the Group's H1 2024 trading update there are three significant projects due for delivery in H2

As highlighted in the Group's H1 2024 trading update there are three significant projects due for delivery in H2 2024. The team has made progress on these projects with one having now commenced and being delivered in H2 2024. The second was pending a tender decision, which has now been verbally awarded to the Group. The first phase delivery is targeted for Q4 2024 (which is a multi-phase project extending throughout FY25), albeit a commencement date is still to be agreed. The third, which is a fourth phase of a multi-phase roll out, is anticipated to commence in Q4 2024 (also with further phases scheduled throughout FY25), although this is pending confirmation. The latter two projects have a total estimated gross margin of c. £5m, most of which will fall through to adjusted EBITDA, which is currently anticipated to be received in Q4 2024. Any delay in the phasing of delivery of such projects would be expected to move some of this contribution into FY 2025. Whilst the gross margin and Adjusted EBITDA impact of these projects could be substantial in FY24 the net debt impact would be much lower since there would be no requirement to fund the working capital on the projects.

Noting the inter-period uncertainty created by these large projects, the focus is on increasing the number of pilot solutions delivered for clients to further broaden the pipeline and reduce client concentration with respect to implementing optimisation projects. Management has accelerated the integration of Ignite (c.100 people) with the Inspired Optimisation division (c.120 people) creating a common operating model. This significantly boosts resources for implementation of the Ignite solution, enhancing our data driven, solution led optimisation service for net-zero delivery and increasing our capacity to execute.

The work undertaken has created a substantial pipeline of opportunities for FY25 which we expect to mitigate the concentration risk of specific projects and the timing of their financial contribution to the Group in future periods.

Looking forward, noting the proven capability of expanding our cross-sell opportunities, this division provides a gateway to the £138bn opportunity over the next 25 years for the delivery of net-zero for commercial buildings and industrial processes for the UK market.

Software Services

Inspired's Assurance, ESG and Optimisation Services rely heavily on managing and processing unstructured data which underpins our service delivery. The technology enablement of these solutions is provided by 'Unify', our proprietary software platform which has been significantly developed over recent years and provides a market leading platform.

Unify is helping to technologically enable a market and industry that has in the past been slow to react and incorporate digital solutions to improve efficiency and performance. The Software division has delivered growth consistent with prior period, with new client wins and its position of underpinning the Group's broader service delivered.

The Software division delivered 17% revenue growth and 9% growth in EBITDA.

We continue to be delighted by the divisions success in becoming the go-to software platform of choice for large assurance providers and we continue to focus on increasing the number of meters served by our SaaS platform.

Inspired's own ESG

In H1 2024, the Group has made progress with its ESG programmes:

1. We submitted our notification of compliance for ESOS phase 3 to the Environmental Agency.
2. We set up our site survey schedule to survey the rest of the Inspired estate.
3. As an early TNFD adopter, we have conducted Biodiversity site surveys of our in-scope sites.
4. We started to prepare reporting under the new Corporate Sustainability Reporting Directive (CSRD).

Outlook

We are better placed than ever as a full-service sustainability provider to support UK businesses to deliver net-zero and manage the estimated £138bn costs of doing so between 2024 and 2050.

The Q4 2024 weighting of optimisation projects highlights the strategic challenges of managing the phasing of certain projects that help clients implement their net-zero solutions across reporting periods. We are working to get these underway in Q4 2024, noting a possibility they move into Q1 2025.

Looking ahead, our pipeline across the four divisions is at a record level both in terms of size and number of projects. Having accelerated the integration of Ignite with the Inspired Optimisation business we have an opportunity to significantly increase the overall capacity of our delivery engine in order to reduce client concentration in FY25 and beyond. Assurance, ESG and Software Services continue to perform in line with expectations.

Chief Financial Officer's Statement

We are pleased to report robust financial results for the six-month period ended 30 June 2024, whilst also making clear strategic and financial progress.

In H1 2024 the Group delivered revenue of £45.0m (H1 2023: £44.6m), achieving 10% gross profit growth at £34.0m (H1 2023: £31.0m) with improved gross profit percentage margins of 75% (H1 2023: 69%). Group Adjusted EBITDA increased by 4% to £10.9m (H1 2023: £10.6m) with the percentage margin remaining stable and in-line with management expectations at 24% (H1 2023: 24%).

Divisional performance

Assurance Services

Assurance Services remains the biggest contributor to Group profits delivering revenue growth of 3%, in line with management expectations, generating 42% of total Group revenues in H1 2024 (H1 2023: 41%) at £18.9m (H1 2023: £18.3m).

Assurance Services contributed Adjusted EBITDA in line with expectations of £7.8m (H1 2023: £7.7m), and the Adjusted EBITDA percentage margin was 41% (FY 2023: 41%), with margins stabilising.

We continue to focus on providing a first-class level of service to our Assurance clients, which we believe is essential to retain our market leadership position in Assurance Services and to generate client lifetime value for the Group.

ESG Services

ESG Services generated revenues of £2.8m (H1 2023: £2.4m), delivering 17% growth. The ESG Services division contributed Adjusted EBITDA of £0.7m (H1 2023: £0.0m).

Within ESG Services, delivery of services in relation to Energy Savings Opportunity Scheme (ESOS) Phase 3 contributed £0.8m of revenue (H1 2023: £0.8m). The Group's exceptional performance in ESOS delivery during 2023 and 2024 provides a platform to deliver significant Optimisation Services to clients and we note that ESOS Phase 4 will contribute to Group revenues in 2027.

The increasing focus of investors and businesses on net-zero targets, combined with mandatory requirements for businesses to make ESG disclosures, provides a favourable backdrop to continue to invest in the strategy for the ESG Services division.

Optimisation Services

Optimisation Services generated 48% of total Group revenues in H1 2024 (H1 2023: 50%), amounting to £21.5m (H1 2023: £22.4m), achieving 21% Gross profit growth at £12.6m (H1 2023: £10.4m). This is reflective of the product mix in the six-month trading period, noting that Optimisation Services includes a range of products and services to customers. The mix of these in any period can lead to significant fluctuations in the levels of revenue and cost of sales. As a result of this, the Group focuses on absolute gross profit growth within this division.

The division continues to benefit from cross-selling and repeat demand from customers, with clients focusing on the beneficial impact of energy usage and demand reduction. Optimisation Services contributed Adjusted EBITDA of £5.4m (H1 2023: £5.1m), and Adjusted EBITDA margin of 25% (H1 2023: 23%) driven by product mix. Subject to product mix in any period, management's expectation is that the division will consistently generate Adjusted EBITDA margins of c.20-25%.

In the financial years 2022 and 2023, Optimisation Services experienced higher activity levels in H2 compared to H1, caused by the timing of large customers' financial year ends and budget timings, which drive spending patterns throughout the year. This expected weighting of contribution towards Q4 2024 in delivery of a small number of significant optimisation projects, will result in a subsequent working capital investment into the period end. As there is a timing risk that contribution could extend beyond the current fiscal year, any such slippage would result in a positive impact on H1 2025 financial performance. The Board estimate that c.£5.0m of gross margin is attributable to the two projects scheduled for Q4 2024 which remain to be fully confirmed.

Demand for Optimisation Services continues to increase, with strong underlying drivers, including the drive to net-zero. As the division continues to increase its share of the Group's operations, Group revenues and more importantly Group gross margins will be impacted by this change in business mix.

Software Services

The Group's Software Services division continues to develop well, with revenues growing by 17% to £1.8m (H1 2023: £1.5m), with the growth driven by new client acquisition and an increase in revenue generated from existing customers. Over 80% of expected revenues in 2024 are through renewals of existing customer licenses.

In H1 2024 Software Services generated Adjusted EBITDA of £1.1m (H 2023: £1.0m) and produced an Adjusted EBITDA margin of 65% (FY 2023: 59%).

Group results

Group central PLC costs were £4.0m (H1 2023: £3.3m), driven by an increase in staff costs (both from an FTE and cost per head perspective), and an underlying increase in non-employment related overheads in the period due to the increase in the size of the Group. Investment in overhead costs has laid a solid foundation for Group growth and provides the required resources to underpin that growth. In 2023, the Group invested to make planned process changes, with a view to improving margins across all divisions. The Group expects a deceleration of PLC cost growth from FY 2025 onwards, as we look to recognise the benefits of operating leverage and improved productivity.

Overall, the Group generated adjusted EBITDA of £10.9m in H1 2024 (H1 2023: £10.6m); the adjusted EBITDA margin was 24% (H1 2023: 24%).

After deducting charges for depreciation, amortisation of internally generated intangible assets and finance expenditure, the adjusted profit before tax for the period was £5.7m (H1 2023: £6.2m). The increase of £0.3m in adjusted EBITDA was offset by an increase of £0.6m in finance costs to £2.6m (H1 2023: £2.0m). Finance costs were higher than in H1 2023 due to a combination of a higher level of debt over the period and increased interest rates. Finance costs are expected to remain higher in H2 2024 due to the profile of trade and working capital within Optimisation Services.

Under International Financial Reporting Standard (IFRS) measures, the Group reported a profit before tax for the period of £8.4m (H1 2023: £0.2m), with reported profit before tax impacted significantly by changes in the fair value of contingent consideration, the amortisation of intangible assets as a result of acquisitions, share-based payment charges and restructuring costs. A reconciliation of reported loss before tax to adjusted profit before tax is calculated in the table below.

| | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|--|--|--|--|
| Profit/(loss) before tax | 8,398 | 190 | (6,169) |
| Share-based payments costs | 434 | 521 | 1,187 |
| Amortisation of acquired intangible assets | 765 | 1,178 | 2,272 |
| Foreign exchange variation | 3 | 6 | (257) |
| Exceptional costs: | | | |
| Restructuring costs | 1,340 | 459 | 3,620 |
| Exceptional finance costs | - | 120 | 482 |
| Change in fair value of contingent consideration | (5,213) | 3,764 | 14,621 |
| Adjusted profit before tax | 5,727 | 6,238 | 15,756 |

Acquisition activity, non-recurring items and material items can significantly distort underlying financial performance from IFRS measures. The Board therefore considers it appropriate to report adjusted metrics, as well as IFRS measures, for the benefit of primary users of the Group's financial statements. Reconciliations to Adjusted Profit Before Tax and Adjusted Fully Diluted EPS can be found in note 4.

Exceptional costs

Exceptional costs of £1.3m (H1 2023: £0.5m) incurred in the period related to restructuring programmes associated with the integration of businesses acquired prior to 2022, plus the restructuring of the Group's Irish trading subsidiary during the period.

Change in fair value of contingent consideration

Within the balance sheet as at 30 June 2024, the Group has a current contingent consideration liability of £2.2m relating to the final payment to be made in H2 2024 in relation to Businesswise Solutions Ltd.

Inspired has accelerated the integration of Ignite and terminated its Deed of Variation in relation to Ignite Energy LTD, and as a result has no outstanding contingent consideration payment obligations in relation to the

Energy LTD, and as a result has no outstanding contingent consideration payment obligations in relation to the Ignite Energy LTD transaction. As a result, the Group recognised a total credit £5.2m to the Income Statement (H1 2023: charge of £3.8m) in the period as a result of changes in the fair value of contingent consideration which was treated as exceptional, with a £5.4m credit relating to the cancellation of the Deed of Variation, and an additional £0.2m debit relating to the final payments in concluding all other contingent consideration payments under the Ignite Energy LTD and Businesswise Solutions Ltd Share Purchase Agreements which was confirmed post the Company's August trading update.

Following the execution of the Deed of Termination in relation to Ignite Energy LTD, and the final contingent consideration payment relating to the Businesswise Solutions Ltd transaction of £2.2m in H2 2024, the Group will have no further contingent consideration payments to fund.

Accordingly, cash generated from operations will now primarily be allocated towards reducing the Group's net debt position and the pursuit of organic growth opportunities, particularly those in the Optimisation Services division.

Exceptional costs, amortisation and impairment of internally generated intangible assets, share based payment charges and changes in fair value of contingent consideration are considered by the Directors to be material and exceptional in nature; they, therefore, merit separate identification to give a true and fair view of the Group's result for the period.

Cash and working capital

Group cash generated from operations during H1 2024 was £7.8m (H1 2023: £2.9m). Excluding exceptional costs, cash generated from operations was £9.1m (H1 2023: £3.4m), a 169% increase. This significant improvement was almost entirely driven by favourable working capital movements related to the timing of the delivery of optimisation projects.

Underlying operating cash conversion ratios remain a key focus for management, acknowledging the impact of the irregularity of trading patterns within Optimisation Services. The Group reviews underlying operating cash conversion ratios on a Last Twelve Months (LTM) basis each month noting the impact the irregularity of Optimisation Services working capital movement can have on month- by- month cash conversion metrics. The LTM underlying operating cash conversion, excluding exceptional items, in the 12 months to 30 June 2024 was in excess of 85%.

Due to the high levels of expected Optimisation project activity in Q4 2024, and the associated investment in working capital into the financial year end, underlying operating cash conversion for the 12 months to 31 December 2024 is expected to be reduced to c.60% (FY 2023: 75%) with an associated impact on the expected net debt outturn. This working capital investment is expected to unwind during H1 2025 accelerating the deleveraging of the Group.

Trade and other receivables and deferred consideration decreased 5% in the period to £44.0m (FY 2023: £46.5m), with invoiced trade receivables decreasing 31% to £12.1m (FY 2023: £17.6m) as a result of the very high levels of project activity in Q4 2023 within the Optimisation Services division, with the balance unwinding in early 2024 as expected. Accrued income increased in the period by 15% to £22.9m (FY 2023: £19.9m). Working capital management remains a key focus for the Group in sustaining strong cash conversion.

Trade and other payables decreased 20% to £16.0m (FY 2023: £19.9m), with the majority of the decrease being in trade payables of £2.6m to £3.7m (FY 2023: £6.3m) reflecting the high levels of project activity in Q4 2023 within Optimisation Services Division the costs of which were settled in cash in H1 2024. Accruals increased by 21% to £5.6m (FY 2023: £4.6m).

The Group made payments to acquire intangible assets of £3.2m in H1 2024 (H1 2023: £3.0m), and payments to acquire property, plant and equipment of £0.4m (H1 2023: £0.2m).

The Group's net debt (defined as bank borrowings less cash and cash equivalents) increased in line with management expectations in the six month period by £8.9m (17%) to £57.6m (31 December 2023: £48.7m), equating to 2.30x FY23 Adjusted EBITDA.

The Board's near-term objective is to maintain net debt to less than 2.00x Adjusted EBITDA, subject to the short-term impact of acquisition payments, noting £8.6m of contingent consideration payments made in H1 2024. In FY25, through organic cash generation, it is the Board's intention to begin reducing the level of net debt to Adjusted EBITDA to nearer to a 1 to 1 ratio.

Financial position and liquidity

At 30 June 2024, the Group's net debt, excluding the impact of IFRS16, was £57.6m (31 December 2023: £48.7m). Cash and cash equivalents were £6.6m (31 December 2023: £8.8m).

On refinancing its banking facilities in November 2023, the Group entered a £60.0m Revolving Credit Facility with an initial term to October 2026, with an additional £25.0m Accordion options available to the Group, subject to covenant compliance. In May 2024, the Group agreed an increase in the Revolving Credit Facility to £65.0m until 30 April 2025 to provide additional liquidity in the period in which the Group pays the final

outstanding contingent consideration payments.

The Group's £65.0m Revolving Credit Facility was fully drawn at 30 June 2024.

In summary

Inspired has traded in line with expectations over the period ensuring the Group is well placed to deliver our strategic growth plan. With a strengthened platform capable of generating long-term growth positioning Inspired is positioned to achieve its long-term financial goals of reducing net debt to near 1.0x adjusted EBITDA by the end of FY25 and the doubling of adjusted EBITDA between FY22 and FY27.

Paul Connor

Chief Financial Officer

11 September 2024

Group Statement of Comprehensive Income

For the six months ended 30 June 2024

| | | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|---|---|---|---|---|
| Revenue | | 45,023 | 44,634 | 98,757 |
| Cost of sales | | (11,060) | (13,648) | (31,460) |
| Gross profit | | 33,963 | 30,986 | 67,297 |
| Administrative expenses | | (22,920) | (28,755) | (69,000) |
| Operating profit/(loss) | | 11,043 | 2,231 | (1,703) |
| Analysed as: | | | | |
| Earnings before exceptional costs, depreciation, amortisation and share-based payment costs | | 10,939 | 10,568 | 25,212 |
| Restructuring costs | | (1,340) | (459) | (3,620) |
| Change in fair value of contingent consideration | | 5,213 | (3,764) | (14,621) |
| Depreciation, impairment and loss on disposal of property, plant and equipment | | (625) | (839) | (1,920) |
| Amortisation of acquired intangible assets | | (765) | (1,178) | (2,272) |
| Amortisation of internally generated intangible assets | | (1,945) | (1,576) | (3,295) |
| Share-based payment costs | | (434) | (521) | (1,187) |
| | | 11,043 | 2,231 | (1,703) |
| Finance expenditure | 3 | (2,645) | (2,058) | (4,483) |
| Other financial items | | - | 17 | 17 |
| Profit/(loss) before income tax | | 8,398 | 190 | (6,169) |
| Income tax expense | | (795) | (858) | (993) |
| Profit/(loss) for the period | | 7,603 | (668) | (7,162) |
| Attributable to: | | | | |
| Equity owners of the company | | 7,603 | (668) | (7,162) |
| Other comprehensive income: | | | | |
| Exchange differences on translation of foreign operations | | (84) | (120) | (32) |
| Total other comprehensive expense for the year | | (84) | (120) | (32) |
| Total comprehensive income/(expense) for the year | | 7,519 | (788) | (7,194) |
| Attributable to: | | | | |
| Equity owners of the company | | 7,519 | (788) | (7,194) |
| Note | | | | |
| Diluted earnings/(loss) per share attributable to the equity holders of the Company (pence) | 4 | 7.00 | (0.75) | (7.20) |
| Adjusted diluted earnings per share attributable to the equity holders of the Company (pence) | 4 | 4.37 | 4.84 | 13.38 |

Group Statement of Financial Position
At 30 June 2024

| | Note | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|-----------------------------------|------|---|---|---|
| ASSETS | | | | |
| Non-current assets | | | | |
| Investments | | 2,030 | 1,830 | 1,930 |
| Goodwill | 7 | 76,861 | 76,901 | 76,913 |
| Other intangible assets | 7 | 18,317 | 17,972 | 17,792 |
| Property, plant and equipment | 5 | 2,837 | 3,079 | 2,804 |
| Right of use assets | 6 | 2,146 | 1,509 | 2,291 |
| Trade and other receivables | 8 | 4,883 | 2,459 | 4,082 |
| | | <u>107,074</u> | <u>103,750</u> | <u>105,812</u> |
| Current assets | | | | |
| Trade and other receivables | 8 | 38,511 | 42,378 | 41,837 |
| Deferred contingent consideration | 8 | 615 | 1,002 | 615 |
| Inventories | | 1,130 | 668 | 633 |
| Cash and cash equivalents | | 6,633 | 8,416 | 8,782 |
| | | <u>46,889</u> | <u>52,464</u> | <u>51,867</u> |
| Total assets | | <u>153,963</u> | <u>156,214</u> | <u>157,679</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 9 | 16,024 | 17,996 | 19,946 |
| Lease liabilities | | 539 | 439 | 604 |
| Current tax liability | | 3,111 | 3,835 | 3,488 |
| Contingent consideration | | 2,200 | 11,273 | 13,200 |
| | | <u>21,874</u> | <u>33,543</u> | <u>37,238</u> |
| Non-current liabilities | | | | |
| Bank borrowings | | 64,205 | 57,520 | 57,541 |
| Lease liabilities | | 1,725 | 940 | 1,649 |
| Contingent consideration | | - | - | 5,458 |
| Deferred tax liability | | 719 | 838 | 910 |
| | | <u>66,649</u> | <u>59,298</u> | <u>65,558</u> |
| Total liabilities | | <u>88,523</u> | <u>92,841</u> | <u>102,796</u> |
| Net assets | | <u>65,440</u> | <u>63,373</u> | <u>54,883</u> |
| EQUITY | | | | |
| Share capital | | 1,316 | 1,256 | 1,260 |
| Share premium account | | 60,930 | 63,498 | 60,930 |
| Merger relief reserve | | 26,111 | 20,995 | 23,563 |
| Retained earnings | | (20,760) | (19,115) | (28,363) |
| Share based payments reserves | | 9,732 | 8,632 | 9,298 |
| Investment on own shares | | (28) | (28) | (28) |
| Translation reserve | | (478) | (482) | (394) |
| Reverse acquisition reserve | | (11,383) | (11,383) | (11,383) |
| Total equity | | <u>65,440</u> | <u>63,373</u> | <u>54,883</u> |

Group Statement of Cash Flows
For the six months ended 30 June 2024

| | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit/(loss) before income tax | 8,398 | 190 | (6,169) |
| Adjustments | | | |
| Depreciation and impairment | 625 | 839 | 1,920 |
| Amortisation and impairment | 2,710 | 2,754 | 5,567 |
| Share based payment costs | 434 | 521 | 1,187 |
| Finance expenditure | 2,645 | 2,041 | 4,483 |
| Exchange rate variances | 93 | (133) | 222 |
| Change in fair value of contingent consideration | (5,213) | 3,764 | 14,621 |
| Cash flows before changes in working capital | <u>9,692</u> | <u>9,976</u> | <u>21,831</u> |
| Movement in working capital | | | |
| Increase in inventories | (497) | (457) | (422) |
| Decrease/(Increase) in trade and other | | | |

Group Statement of Changes in Equity
For the six months ended 30 June 2024

[illegible]

| | | | | | | | | | |
|---------------------------------------|--------------|---------------|---------------|--------------|-----------------|-------------|--------------|-----------------|---------------|
| (22 January 2024) | 1 | - | - | - | - | - | - | - | 1 |
| Shares issued (28 March 2024) | 52 | - | 2,548 | - | - | - | - | - | 2,600 |
| Shares issued (22 May 2024) | 2 | - | - | - | - | - | - | - | 2 |
| Shares issued (24 June 2024) | 1 | - | - | - | - | - | - | - | 1 |
| Total transactions with owners | 56 | - | 2,548 | 434 | 7,603 | - | (84) | - | 10,557 |
| Balance at 30 June 2024 | 1,316 | 60,930 | 26,111 | 9,732 | (20,760) | (28) | (478) | (11,383) | 65,440 |

1. Accounting Policies

Basis of preparation

The financial information set out in this announcement does not constitute the statutory accounts of the Group for the period ended 30 June 2024. The financial information included in this interim announcement has been computed in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). They have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments measured at fair value. This announcement in itself does not contain sufficient information to comply with IFRS.

Details of the accounting policies are those set out in the annual report for the year ended 31 December 2023. The accounting policies in this announcement are consistent with those set out in the annual report for the year ended 31 December 2023.

2. Segmental information

Revenue and segmental reporting

The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Directors. The Group reports under four reporting segments, namely Assurance, Optimisation, Software and ESG.

| | Six months ended 30 June 2024 | | | | | | Six months ended 30 June 2023 | | | | | |
|--------------------------|-------------------------------|----------------------|------------------|-------------|-------------|---------------|-------------------------------|----------------------|------------------|-------------|-------------|---------------|
| | Assurance £000 | Optimisation £000 | Software £000 | ESG £000 | PLC £000 | Total £000 | Assurance £000 | Optimisation £000 | Software £000 | ESG £000 | PLC £000 | Total £000 |
| Revenue | 18,904 | 21,527 | 1,767 | 2,825 | - | 45,023 | 18,343 | 22,372 | 1,507 | 2,412 | - | 44,634 |
| Cost of sales | (1,558) | (8,963) | (79) | (460) | - | (11,060) | (1,233) | (11,991) | (56) | (368) | - | (13,648) |
| Gross profit | 17,346 | 12,564 | 1,688 | 2,365 | - | 33,963 | 17,110 | 10,381 | 1,451 | 2,044 | - | 30,986 |
| Overheads | (10,582) | (7,333) | (543) | (1,753) | 626 | (19,585) | (9,566) | (5,234) | (397) | (2,085) | (7,880) | (25,162) |
| EBITDA | 6,764 | 5,231 | 1,145 | 612 | 626 | 14,378 | 7,544 | 5,147 | 1,054 | (41) | (7,880) | 5,824 |
| Analysed as: | | | | | | | | | | | | |
| Adjusted EBITDA | 7,753 | 5,352 | 1,145 | 653 | (3,964) | 10,939 | 7,670 | 5,148 | 1,054 | (41) | (3,263) | 10,568 |
| Share-based payments | - | - | - | - | (434) | (434) | - | - | - | - | (521) | (521) |
| Exceptional costs | (989) | (121) | - | (41) | 5,024 | 3,873 | (126) | (1) | - | - | (4,096) | (4,223) |
| | 6,764 | 5,231 | 1,145 | 612 | 626 | 14,378 | 7,544 | 5,147 | 1,054 | (41) | (7,880) | 5,824 |
| Depreciation | | | | | | (625) | | | | | | (839) |
| Amortisation | | | | | | (2,710) | | | | | | (2,754) |
| Finance expenditure | | | | | | (2,645) | | | | | | (2,058) |
| Other financial items | | | | | | - | | | | | | 17 |
| Profit before income tax | | | | | | 8,398 | | | | | | 190 |

3. Finance Expenditure

| | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|---------------------------------------|--|--|--|
| Interest payable on bank borrowings | 2,439 | 1,930 | 4,214 |
| Interest payable on lease liabilities | 30 | 41 | 90 |
| Foreign exchange variance | 3 | 6 | (239) |
| Other interest | 3 | 23 | 80 |
| Loan facility fees | 12 | - | 80 |
| Amortisation of debt issue costs | 158 | 58 | 258 |
| | 2,645 | 2,058 | 4,483 |

4. Earnings Per Share

The earnings per share is based on the net profit for the period attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the period.

| | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|---|--|--|--|
| Profit/(loss) attributable to equity holders of the Group | 7,519 | (788) | (7,162) |
| Amortisation of acquired intangible assets | 765 | 1,178 | 2,272 |
| Deferred tax in respect of amortisation of intangible assets | (191) | (294) | (568) |
| Changes in fair value of contingent consideration | (5,213) | 3,764 | 14,621 |
| Foreign exchange variation | 87 | 126 | (257) |
| Share-based payments costs | 434 | 521 | 1,187 |
| Restructuring costs | 1,340 | 459 | 3,620 |
| Exceptional finance costs | - | 120 | 482 |
| Adjusted profit attributable to equity holders of the Group | 4,741 | 5,086 | 14,195 |
| Weighted average number of ordinary shares in issue (000) | 101,544 | 98,277 | 99,422 |
| Dilutive effect of share options (000) | 7,009 | 6,749 | 6,698 |
| Diluted weighted average number of ordinary shares in issue (000) | 108,553 | 105,026 | 106,120 |
| Basic earnings/(loss) per share (pence) | 7.49 | (0.80) | (7.20) |
| Diluted earnings/(loss) per share (pence) | 7.00 | (0.80) | (7.20) |
| Adjusted basic earnings per share (pence) | 4.67 | 5.18 | 14.28 |
| Adjusted diluted earnings per share (pence) | 4.37 | 4.84 | 13.38 |

The weighted average number of shares in issue for the adjusted diluted earnings per share include the dilutive effect of the share options in issue to senior staff of Inspired.

Adjusted earnings per share represents the earnings per share, as adjusted to remove the effect of the fees associated with acquisition, amortisation of intangible assets (excluding amortisation related to computer software and customer databases), share-based payments and exceptional items which have been expensed to the income statement in the period. Adjusted profit before tax is calculated as follows:

| | Six months ended 30 June 2024 (unaudited) £000 | Six months ended 30 June 2023 (unaudited) £000 | Year ended 31 December 2023 (audited) £000 |
|--|--|--|--|
| Profit/(loss) before tax | 8,398 | 190 | (6,169) |
| Share-based payments costs | 434 | 521 | 1,187 |
| Amortisation of acquired intangible assets | 765 | 1,178 | 2,272 |
| Foreign exchange variation | 3 | 6 | (257) |
| Exceptional costs: | | | |
| Restructuring costs | 1,340 | 459 | 3,620 |
| Exceptional finance costs | - | 120 | 482 |
| Change in fair value of contingent consideration | (5,213) | 3,764 | 14,621 |
| Adjusted profit before tax | 5,727 | 6,238 | 15,756 |

Acquisitional activity can significantly distort underlying financial performance from IFRS measures and therefore the Board deems it appropriate to report adjusted metrics as well as IFRS measures for the benefit of primary users of the Group financial statements.

5. Property, plant and equipment

| | Fixtures and fittings £000 | Motor vehicles £000 | Computer equipment £000 | Leasehold improvements £000 | Office equipment £000 | Total £000 |
|----------------------|----------------------------------|---------------------------|-------------------------------|-----------------------------------|-----------------------------|---------------|
| Cost | | | | | | |
| As at 1 January 2023 | 335 | 115 | 4,134 | 1,192 | 418 | 6,194 |

| | | | | | | |
|----------------------------|------------|-----------|--------------|------------|-----------|--------------|
| Foreign exchange variances | (2) | (2) | (3) | - | (2) | (9) |
| Additions | 153 | - | 697 | 79 | 1 | 930 |
| Disposals | (58) | (41) | - | (977) | (323) | (1,399) |
| At 31 December 2023 | 428 | 72 | 4,828 | 294 | 94 | 5,716 |
| Foreign exchange variances | (3) | (1) | (1) | - | (3) | (8) |
| Additions | 37 | - | 131 | 202 | - | 370 |
| Disposals | (65) | (54) | (41) | - | - | (160) |
| At 30 June 2024 | 397 | 17 | 4,917 | 496 | 91 | 5,918 |
| Depreciation | | | | | | |
| As at 1 January 2023 | 224 | 95 | 1,763 | 605 | 291 | 2,978 |
| Foreign exchange variances | (1) | (2) | (2) | - | - | (5) |
| Charge for the year | 77 | 6 | 660 | 119 | 72 | 934 |
| Disposals | (26) | (29) | (12) | (611) | (317) | (995) |
| At 31 December 2023 | 274 | 70 | 2,409 | 113 | 46 | 2,912 |
| Charge for the period | 30 | 1 | 235 | 24 | 4 | 294 |
| Foreign exchange variance | (2) | - | (2) | - | - | (4) |
| Disposals | (52) | (55) | (14) | - | - | (121) |
| At 30 June 2024 | 250 | 16 | 2,628 | 137 | 50 | 3,081 |
| Net Book Value | | | | | | |
| At 30 June 2024 | 147 | 1 | 2,289 | 359 | 41 | 2,837 |
| At 31 December 2023 | 154 | 2 | 2,419 | 181 | 48 | 2,804 |

| | Fixtures and fittings £000 | Motor vehicles £000 | Property £000 | Intangibles £000 | Total £000 |
|----------------------------|-------------------------------|------------------------|------------------|---------------------|---------------|
| Cost | | | | | |
| As at 1 January 2023 | 255 | 421 | 3,334 | 301 | 4,311 |
| Foreign exchange variances | - | - | 18 | - | 18 |
| Additions | 116 | 47 | 1,683 | - | 1,846 |
| Disposals | - | (283) | (2,329) | - | (2,612) |
| At 31 December 2023 | 371 | 185 | 2,706 | 301 | 3,563 |
| Foreign exchange variances | - | 1 | (11) | - | (10) |
| Additions | - | 113 | - | 56 | 169 |
| Disposals | (59) | (87) | - | - | (146) |
| At 30 June 2024 | 312 | 212 | 2,695 | 357 | 3,576 |
| Depreciation | | | | | |
| As at 1 January 2023 | 158 | 310 | 2,252 | 50 | 2,770 |
| Foreign exchange variances | - | - | 3 | - | 3 |
| Charge for the year | 103 | 87 | 696 | 100 | 986 |
| Disposals | - | (271) | (2,329) | - | (2,600) |
| At 31 December 2023 | 261 | 126 | 622 | 150 | 1,159 |
| Foreign exchange variances | - | - | (4) | - | (4) |
| Charge for the period | 46 | 29 | 174 | 60 | 309 |
| Disposals | (59) | (88) | - | - | (147) |
| At 30 June 2024 | 248 | 67 | 792 | 210 | 1,317 |
| Impairment | | | | | |
| As at 1 January 2023 | - | - | 113 | - | 113 |
| Impairment for the year | - | - | - | - | - |
| At 31 December 2023 | - | - | 113 | - | 113 |
| Impairment for the period | - | - | - | - | - |
| At 30 June 2024 | - | - | 113 | - | 113 |
| Net Book Value | | | | | |
| At 30 June 2024 | 64 | 145 | 1,790 | 147 | 2,146 |
| At 31 December 2023 | 110 | 59 | 1,971 | 151 | 2,291 |

| | Computer software - internally generated £000 | Computer software - external £000 | Trade name £000 | Customer contracts £000 | Customer relationships £000 | Total other intangibles £000 | Goodwill £000 | Total £000 |
|----------------------------|--|--------------------------------------|--------------------|----------------------------|--------------------------------|---------------------------------|------------------|---------------|
| Cost | | | | | | | | |
| At 1 January 2023 | 21,146 | 4,822 | 160 | 21,575 | 7,511 | 55,214 | 76,960 | 132,174 |
| Additions | 3,242 | 2,402 | - | - | - | 5,644 | - | 5,644 |
| Foreign exchange variances | - | - | - | (255) | - | (255) | (47) | (302) |
| At 31 December 2023 | 24,388 | 7,224 | 160 | 21,320 | 7,511 | 60,603 | 76,913 | 137,516 |
| Additions | 2,237 | 997 | - | - | - | 3,234 | - | 3,234 |
| Foreign exchange variances | - | (1) | - | (52) | - | (1) | (52) | (53) |

| | | | | | | | | |
|----------------------------|---------------|--------------|------------|---------------|--------------|---------------|---------------|----------------|
| variances | - | (1) | - | - | - | (1) | (2) | (3) |
| At 30 June 2024 | 26,625 | 8,220 | 160 | 21,320 | 7,511 | 63,836 | 76,861 | 140,697 |
| Amortisation | | | | | | | | |
| As at 1 January 2023 | 12,668 | 1,651 | 45 | 18,327 | 4,807 | 37,498 | - | 37,498 |
| Charge for the year | 2,562 | 814 | 8 | 1,429 | 754 | 5,567 | - | 5,567 |
| Foreign exchange variances | - | - | - | (254) | - | (254) | - | (254) |
| At 31 December 2023 | 15,230 | 2,465 | 53 | 19,502 | 5,561 | 42,811 | - | 42,811 |
| Charge for the period | 1,325 | 618 | 4 | 386 | 377 | 2,710 | - | 2,710 |
| Foreign exchange variances | - | (2) | - | - | - | (2) | - | (2) |
| At 30 June 2024 | 16,555 | 3,081 | 57 | 19,888 | 5,938 | 45,519 | - | 45,519 |
| Net Book Value | | | | | | | | |
| At 30 June 2024 | 10,070 | 5,139 | 103 | 1,432 | 1,573 | 18,317 | 76,861 | 95,178 |
| At 31 December 2023 | 9,158 | 4,759 | 107 | 1,818 | 1,950 | 17,792 | 76,913 | 94,705 |

Computer software is a combination of assets internally generated and assets acquired through business combinations.

8. Trade and other receivables

| | 30 June 2024 | 30 June 2023 | 31 December 2023 |
|-----------------------------------|---------------|---------------|------------------|
| | £000 | £000 | £000 |
| Trade receivables | 12,116 | 18,695 | 17,550 |
| Other receivables | 762 | 900 | 861 |
| Deferred contingent consideration | 615 | 1,002 | 615 |
| Prepayments | 7,601 | 6,990 | 7,596 |
| Accrued income | 22,915 | 18,252 | 19,912 |
| | 44,009 | 45,839 | 46,534 |

9. Trade and other payables

| | 30 June 2024 | 30 June 2023 | 31 December 2023 |
|---------------------------------|---------------|---------------|------------------|
| | £000 | £000 | £000 |
| Trade payables | 3,726 | 5,240 | 6,261 |
| Social security and other taxes | 3,655 | 4,514 | 6,393 |
| Accruals | 5,559 | 2,463 | 4,595 |
| Deferred income | 2,503 | 4,912 | 2,095 |
| Other payables | 581 | 867 | 602 |
| | 16,024 | 17,996 | 19,946 |

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