M&C SAATCHI PLC

INTERIM RESULTS

SIX MONTHS ENDED
30 JUNE 2022

7 September 2022

M&C SAATCHI PLC
(the “Company”)
Interim results for the six months ended 30 June 2022

A strong first half performance, with Headline PBT over 50% ahead of H1 2021

H1 Highlights

Financial

- Net revenue of £129.4million, up 9.6% versus H1 2021 (£118.1million).
- Headline operating profit margin increased to 14.0%, up 3.5pts versus H1 2021.
- Headline profit before tax (“PBT") of £16.0million, up 52.4% versus H1 2021.
- Statutory profit before tax of £0.3million, versus £4.8million in H1 2021, impacted by the ongoing takeover transaction costs.
- Balance sheet strong, with net cash at 30 June 2022 of £39.7million, versus £31.8million at 30 June 2021.

Operational

- The accelerated delivery of our strategy has continued to drive growth with new and existing clients, including Barclays, Samsung, Pepsico and Grab.
- Technology platforms, new capabilities and collaboration processes have driven connected revenue, which now accounts for over 50% of net revenue.
- Digitisation continues by scaling the data offering, launching an innovation practice (Thread), and developing a proprietary SME marketing SaaS platform (Grow Technology).
- M&C Saatchi LIFE, our sustainability consultancy, was launched, to address the rapid increase in client demand relating to climate challenges.
- Start-ups launched in H1 2022 (mentioned above) are already working with significant clients, including Kenwood, Google and Disney+.
- Simplification of the Group continues, through standardising systems and a global efficiency programme to deliver future cost savings.

Current trading and outlook

- Momentum from H1 has continued into H2, with July Headline PBT ahead of the Board’s expectations.
- Full year Headline PBT is expected to be in the region of £31million, in line with the Board’s previous forecast, up 15% on FY 2021.
- Despite deteriorating macro-economic conditions, the diversity of our capabilities, the strength of our counter-cyclical businesses, our geographic breadth, and our unique proposition of Meaningful Change provides resilience. We therefore maintain the Board’s 2023 Headline PBT forecast in the region of £41million.
- Our intention remains to reinstate dividends for 2022.

Unaudited Headline[1] Results

Six Months To 30 June	2022 £M	2021 £M	*Movement*	*LFL[2]*
Net Revenue[1]	129.4	118.1	*9.6%*	*9.6%*
Operating profit	18.1	12.4	*46.0%*	*46.1%*
Profit before taxation	16.0	10.5	*52.4%*	*44.0%*
Earnings[3]	7.8	4.0	*95.0%*	*84.2%*
Operating profit margin	14.0%	10.5%	*+3.5pts*	
EBITDA[4]	22.8	16.8	*35.7%*	
Net cash[1]	39.7	31.8	*24.8%*	

Unaudited Statutory Results

Six Months To 30 June	2022 £M	2021 £M	*Movement*
Revenue	221.7	171.2	*29.5%*
Net Revenue[1]	129.4	118.1	*9.6%*
Operating profit	2.7	7.0	*(61.2%)*
Profit before taxation	0.3	4.8	*(93.6%)*
Earnings[3]	(4.1)	1.5	*(373.3%)*
Operating profit margin	2.1%	6.0%	*-3.9pts*

[1] Refer to page 11 for the definition of Headline, net revenue and net cash.
[2] Like-for-like growth excluding effect of acquisitions that occurred in 2021 (associates in China, Brazil and Pakistan that became subsidiaries during 2021).
[3] Earnings is calculated after deducting tax and the share of profits attributable to non-controlling interests.
[4] EBITDA is calculated excluding the income statement charges relating to IFRS 16.

Moray MacLennan, Chief Executive Officer, said:

"Results to be proud of under any circumstances, but particularly with the distraction of a hostile takeover.

Looking forward, the counter-cyclical nature of key growth businesses, together with a global efficiency programme, gives confidence in our strong standalone future and the outlook for the remainder of 2022 and into 2023.

The plan is clear. Delivery is accelerating. Resilience proven."

Gareth Davis, Chairman, said:

"Delivery of a 52.4% increase in Headline PBT is an outstanding achievement by our management team.

Despite considerable challenges created by a prolonged hostile takeover process, and strengthening economic headwinds, focus has been maintained on client services and growing the business.

This continued performance, building on record profits in 2021, reinforces the Board's belief in a strong independent future for M&C Saatchi.

The Board laid out its concerns over the low value and high risks involved in ADV's hostile bid. These concerns have been significantly increased due to ADV's continual refusal to seek US government regulatory approval (CFIUS). It is our belief that this could lead to the termination of key client contracts.

I would respectfully request that shareholders support us in retaining our independence and therefore take no action at this time."

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SUMMARY OF RESULTS

Performance in the first half of 2022 has been strong, well ahead of the first half of 2021.

- Net revenue increased by 9.6% to £129.4million, or 9.6% to £126.5million on a like-for-like basis (excluding the contribution from those entities that became subsidiaries in 2021).
- Headline operating profit margin increased to 14.0%, up 3.5pts; on a like-for-like basis, margin increased by 3.6pts to 14.5%.
- H1 2022 Headline PBT of £16.0million, 52.4% ahead of the H1 2021 result (£10.5million).

The revenue growth has been led by strong performance across our high margin, High Growth Specialisms, notably Global & Social Issues (29.7% growth) and Sponsorship & Talent (20.2% growth).

Costs continued to be tightly controlled. Headline operating costs increased by 5.3% to £111.3million (2021: £105.7million), significantly below the rate of revenue growth. We continue to see the benefits of the Group's operating leverage flow through to operating profit margin, which at Headline level has increased by 3.5pts to 14.0% (2021:10.5%).

Headline profit before tax increased by 52.4% to £16.0million (2021: £10.5million). Statutory profit before tax decreased to £0.3million (2021: £4.8million) due to the significant costs associated with the ongoing takeover approaches (£9.5million) (see Note 5).

Our focus on cash management continues, resulting in an increase in net cash to £39.7million (from £34.4million at 31 December 2021). Use of the revolving credit facility has further reduced to £10.0million at 30 June 2022 (from £20.0million at 31 December 2021). This provides the balance sheet flexibility to settle put option liabilities in cash as they fall due. The Board believes the immediate priorities for the business are to continue reinvesting in supporting the growth strategy and to reduce debt as interest rates continue to rise**.** Our intention remains to reinstate dividends for 2022.

Market Dynamics

After a strong recovery in the industry in 2021, market growth has slowed to an expectation of 8.6% for 2022, and 6.4% for 2023.

Key trends in the industry include:

- Increased talent costs and churn, as inflation rises and the employment market tightens,
- Increased focus on efficiencies within our competitor set,
- Clients looking to simplify their marketing ecosystems with a focus on efficiencies,
- Digital, data and technology remaining a key focus as a driver of performance,
- A heightened focus on creativity,
- Climate change becoming top of mind for clients.

We are well positioned to withstand these pressures, as a result of our broad diversified client base, geographic breadth, and specialist capabilities in resilient segments: public sector, issue-based marketing, performance media, and sponsorship and talent. These include material counter-cyclical businesses.

Strategy Update

Simplification

We have invested in, and continue to drive efficiencies from, technology platforms that automate and standardise working together across the Group including people, finance and business analytics systems.

Since the end of H1 2022, we have initiated a global efficiency programme. This will identify savings during H2 2022 to be introduced in 2023 and beyond. Although this is later than planned, tactical local and central cost reduction initiatives have been undertaken during H1 to offset this delay.

Connection

Our strategy of connecting multi-disciplinary capabilities is achieving results, as client demand for connection and consolidation in their marketing ecosystems increases. This has been further enhanced by the launch of M&C Saatchi LIFE, a dedicated sustainability consultancy.

Our dedicated global growth team has enabled us to win more cross-discipline and cross-market clients including Sky Showtime, Barclays and Samsung.

Digitisation

We continue to scale our data analytics businesses Fluency and Precision. During H1 this included developing and launching Brand Desire, our proprietary AI-powered brand intelligence platform. We have also hired a Chief Data and Technology Officer to accelerate growth from H2.

We have also continued to invest in central capabilities that fuel growth: innovation studio Thread and a proprietary SME marketing SaaS start-up (Grow Technology).

Technology platforms, including Hubspot (CRM), CoreBook (brand guidelines) and our global intranet platform, are being deployed to fuel new connected business growth.

Headline Segmental Information (Like-for-Like)[1]

Specialisms

	Net Revenue H1 2022 £000	Net Revenue H1 2021 £000	*Movement*	Operating Profit H1 2022 £000	Operating Profit H1 2021 £000	*Movement*	Operating Profit Margin H1 2022	Operating Profit Margin H1 2021	*Movement*
Advertising & CRM	58,577	59,120	*(0.9)%*	3,243	5,280	*(38.6)%*	5.5%	8.9%	*(3.4)pts*
High Growth Specialisms	67,982	56,350	*20.6%*	20,075	13,328	*50.6%*	29.5%	23.7%	*5.8pts*
Group Central Costs	-	-	-	(4,922)	(6,018)	*(18.2)%*	-	-	-
Total	**126,559**	**115,470**	***9.6%***	**18,396**	**12,590**	***46.1%***	**14.5%**	**10.9%**	***3.6pts***

Advertising and CRM comprised £58.6million (46.3%) of the Group's net revenue (H1 2021: £59.1million, 51.2%) and £3.2million (17.6%) of the Group's Headline operating profit (H1 2021: £5.3million, 41.9%). Net revenue decreased by £0.5million (0.9%) compared to H1 2021. Operating profit margins decreased by 3.4pts to 5.5% from 8.9% in H1 2021.

The High Growth Specialisms comprised £68.0million (53.7%) of the Group's net revenue (H1 2021: £56.4million, 48.8%), and £20.1million (109.1%) of the Group's Headline operating profit (H1 2021: £13.3million, 105.9%). Net revenue increased by £11.6million (20.6%) compared to H1 2021. Headline operating profit margins increased by 5.8pts to 29.5% from 23.7% in H1 2021.

- **Advertising & CRM – Blending marketing science with creativity through earned, owned and paid-for content**

The net revenue decrease of £0.5million to £58.6million (0.9%) was driven by the UK Agency (predominantly due to a reduction in Home Office revenues and in particular the Census work that was carried out in 2021), Australia (a reduction in spend from Tourism Australia compared to 2021) and China (due to the lockdowns experienced in 2022).

These decreases have been partially offset by revenue growth in South Africa (driven by an increase in retainer fees across a number of existing clients and new client wins) and in Indonesia (where clients, including TikTok, have engaged in new campaigns).

Operating profit margin is expected to improve in H2, as it does most years due to the seasonal increases in client spending. The global efficiency programme will especially drive further margin improvements in this segment, given the large number of small entities in this segment that will benefit from deduplication and centralisation.

[1] Like-for-like excludes the effect of acquisitions in 2021.

- **High Growth Specialisms**
    - **Performance Media – connecting brands with today's connected customers**

    The net revenue increase of £2.4million to £17.4million (15.9%) was driven by revenue growth across Asia, Americas and the UK, both from new and existing clients.

    - **Global & Social Issues – driving critical global and social change, protecting the planet, transforming lives for the better**

    The net revenue increase of £4.4million to £19.0million (29.7%) was driven by World Services, due to a much stronger start to 2022 for the Security & Defence business.

    - **Brand & Experience – transforming businesses by unlocking existing and new growth opportunities**

    The net revenue increase of £1.8million to £17.0million (11.6%) was primarily due to strong revenue growth in MCD Partners (CX), due to additional projects from existing clients as well as new client wins. There has also been strong revenue growth in the Re Agency in the UK (brand design) and the Clear Group (consulting).

    - **Sponsorship & Talent – connecting brands direct to consumers through passions and personalities**

    The net revenue increase of £3.1million to £14.7million (20.2%) was driven by Sport & Entertainment in the UK and US, due to the post-Covid-19 recovery in sporting events.

- **Group Central Costs**

Central costs have reduced by £1.1million to £4.9million (18.2%). This is driven primarily by the recognition of £0.9million of staff costs as Non-Headline in relation to the takeover approaches (refer to Note 5 for further detail). In addition, there were savings as a result of replacing freelancers with permanent employees, along with lower executive bonus costs in 2022 versus the prior year.

Geographical

	Net Revenue H1 2022 £000	**Net Revenue H1 2021 £000**	***Movement***	**Operating Profit H1 2022 £000**	**Operating Profit H1 2021 £000**	***Movement***	**Operating Profit Margin H1 2022**	**Operating Profit Margin H1 2021**	***Movement***
UK	49,126	44,278	*10.3%*	11,233	5,907	*90.2%*	22.9%	13.3%	*9.4pts*
Europe	7,644	7,470	*2.3%*	715	958	*(25.4)%*	9.4%	12.8%	*(3.4)pts*
Middle East and Africa	10,900	10,214	*6.7%*	912	2,155	*(57.7)%*	8.4%	21.1%	*(12.7)pts*
Asia	10,509	8,866	*18.5%*	4,544	4,089	*11.1%*	43.2%	46.1%	*(2.9)pts*
Australia	25,726	25,980	*(1.0)%*	2,091	1,979	*5.7%*	8.1%	7.6%	*0.5pts*
Americas	22,654	18,662	*21.4%*	3,823	3,520	*8.6%*	16.9%	18.9%	*(2.0)pts*
Group Central Costs	-	-	-	(4,922)	(6,018)	*18.2%*	-	-	-
Total	**126,559**	**115,470**	***9.6%***	**18,396**	**12,590**	***46.1%***	**14.5%**	**10.9%**	***3.6pts***

Income Statement

- **Headline Profit Before Tax**

The net revenue increase of 9.6% has been explained above in the segmental review. Headline operating costs have increased 5.2%, which is predominately due to an increase in staff costs to service the increased revenues. There continues to be a strong focus on cost control, with costs increasing at a much lower rate than revenues, in turn leading to a significant increase in Headline operating margins to 14.0% in H1 2022 (H1 2021: 10.5%).

- **Statutory Profit Before Tax**

Statutory operating costs have increased 14.1%, in addition to the increase in staff costs noted above. This is predominately due to the takeover transaction costs that have been incurred as a result of the response required to the two offers for the Company. These have been treated as Non-Headline costs (refer to Note 5 for further detail).

- **Taxation**

In relation to the transaction costs identified above, we have treated the majority of these costs as non-deductible for corporation tax provision purposes, pending further detailed analysis of the external fees, which will be clarified in H2 2022.

Balance sheet and cashflow

- **Cash and Borrowings**

Cash net of bank borrowings at 30 June 2022 is £39.7million, compared to £34.4million of net cash at 31 December 2021 and £31.8million net cash at 30 June 2021. The Group has made good progress in managing its cash, including focusing on centralising cash to reduce the interest cost of borrowings. As a result, £10.0million of the revolving credit facility was drawn at 30 June 2022, compared with £20.0million at 31 December 2021.

Net cash from operating activities was £12.6million (£4.7million in H1 2021).

- **Working Capital Movement**

Trade and other receivables increased by £13.1million (9.8%) between 31 December 2021 and 30 June 2022. This reflects the strong revenue performance in H1 2022.

Trade and other payables increased by £19.9million (12.9%) between 31 December 2021 and 30 June 2022. Within this movement, £8.4million of the increase is driven by the takeover transaction costs accrued during H1 2022, in addition to £2.7million of dividends paid to minority shareholders in July 2022.

- **Other Balance Sheet Movements**

The other movements include the revaluation of unlisted equity investments held in early-stage companies. The revaluation of these companies is excluded from Headline results. Overall, the portfolio continues to strengthen, as several companies bounced back following the Covid-19 pandemic. However, this is partially offset by one specific investment that has been written down by £3.3million to nil in the period. This has resulted in a net upwards revaluation of £0.5m.

Notes to Editors

Company
M&C Saatchi plc, a company incorporated and domiciled in England and Wales with company number 05114893, listed on the AIM Market of the London Stock Exchange plc.

Group
The Company and its subsidiaries.

Headline results
A self-defined alternative measure of profit that provides a different perspective to the Statutory results. The Directors believe it provides a better view of the underlying performance of the Company, because it excludes a number of items that are not part of routine business income and expenses. These Headline figures are a better way to measure and manage the business and are used for internal performance management and reward. “Headline results” is not a defined term in IFRS.

Headline results represent the underlying trading profitability of the Group and excludes:
- Separately disclosed items that are one-off in nature and are not part of running the business.
- Acquisition-related costs.
- Gains or losses generated by disposals of subsidiaries and associates.
- Fair value adjustments to unlisted equity investments, acquisition related contingent consideration and put options.
- Dividends paid to IFRS 2 put option holders.

A reconciliation of Statutory to Headline results is presented in Note 4.

Operating profit margin
Operating profit margin refers to the percentage calculated through dividing operating profit by net revenue.

Net cash
Net cash refers to cash and cash equivalents, less borrowings of the Group, derived from the accounts in the balance sheet, excluding lease liabilities.

Net revenue
Net revenue is equal to revenue less project cost / direct cost. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.

Revenue
Revenue comprises the total of all gross amounts billed, or billable to clients in respect of commission-based, fee-based and any other income where we act as principal and our share of income where we act as an agent. The difference between Billings and Revenue is represented by costs incurred on behalf of clients with whom we operate as an agent, and timing differences where invoicing occurs in advance or in arrears of the related revenue being recognised.

EBITDA
EBITDA is earnings before depreciation, amortisation, finance expense and taxation, and excludes any charges relating to IFRS 16. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.

Billings
Billings comprise all gross amounts billed, or billable to clients in respect of commission-based and fee-based income, whether acting as agent or principal, together with the total of other fees earned, in addition to those instances where the Group has made payments on behalf of customers to third parties. It is stated exclusive of VAT and sales taxes.

Minority interests and non-controlling interests
Within the Group, there are a number of subsidiary companies and partnerships in which employees hold a direct interest in the equity of those companies. These employees are referred to as minority shareholders. Of these subsidiary companies and partnerships, most account for the shareholding of their minority shareholders as a management incentive (through the award of conditional shares) and are 100% consolidated in the Group's financial statements. The remaining seven subsidiary companies (including one without a put option) account for their minority shareholders as non-controlling interests, a defined IFRS term, with their share of the Group's profits being shown separately on the Income Statement.

Unaudited Consolidated Income Statement

	Note	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	Note	£000	£000	£000
Billings		**262,208**	**230,461**	**533,350**
Revenue		**221,699**	**171,230**	**394,575**
Project cost / direct cost		(92,305)	(53,169)	(145,239)
Net revenue		**129,394**	**118,061**	**249,336**
Staff costs		(94,401)	(85,485)	(172,493)
Depreciation		(4,543)	(4,262)	(9,196)
Amortisation		(454)	(1,684)	(1,412)
Impairment charges		–	(885)	(2,937)
Other operating charges		(27,712)	(18,696)	(39,573)
Other gains		452	–	3,533
Operating profit		**2,736**	**7,049**	**27,258**
Share of results of associates and joint ventures		–	27	(190)
Gain on disposal of subsidiaries		–	65	42
Impairment of associate investment		–	–	(357)
Finance income		70	60	260
Finance costs		(2,501)	(2,426)	(5,381)
Profit before taxation		**305**	**4,775**	**21,632**
Taxation		(4,294)	(3,184)	(8,459)
(Loss)/profit for the period		**(3,989)**	**1,591**	**13,173**
Attributable to:				
Equity shareholders of the Group		(4,137)	1,525	12,757
Non-controlling interests		148	66	416
(Loss)/profit for the period		**(3,989)**	**1,591**	**13,173**
(Loss)/Earnings per share				
Basic (pence)	4	(3.38p)	1.27p	10.53p
Diluted (pence)	4	(3.38p)	1.19p	9.38p

Headline results

Net revenue		129,394	118,061	249,336
Operating profit	4	18,079	12,352	31,136
Profit before tax	4	16,041	10,492	27,314
Profit after tax attributable to equity shareholders of the Group	4	7,790	3,988	13,687
EBITDA		22,774	16,737	40,821

Unaudited Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£000	£000	£000
(Loss)/profit for the period	**(3,989)**	**1,591**	**13,173**
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations before tax	3,988	(1,729)	664
Other comprehensive income/(loss) for the period net of tax	**3,988**	**(1,729)**	**664**
Total comprehensive (loss)/income for the period	**(1)**	**(138)**	**13,837**
Total comprehensive (loss)/income attributable to:			
Equity shareholders of the Group	(41)	(204)	13,421
Non-controlling interests	40	66	416
Total comprehensive (loss)/income for the period	**(1)**	**(138)**	**13,837**

Unaudited Consolidated Balance Sheet

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£000	£000	£000
Non-current assets			
Intangible assets	41,785	42,894	40,499
Investments in associates and JVs	200	547	202
Plant and equipment	6,287	6,682	6,333
Right-of-use assets	42,297	33,348	44,397
Other non-current assets	1,283	2,858	1,211
Deferred tax assets	7,105	5,986	6,777
Financial assets at fair value through profit or loss	15,515	11,433	15,183
	114,472	**103,748**	**114,602**
Current assets			
Trade and other receivables	145,803	117,867	132,741
Current tax assets	1,587	460	247
Cash and cash equivalents	56,429	73,641	69,419
	203,819	**191,968**	**202,407**
Current liabilities			
Trade and other payables	(173,954)	(146,630)	(154,049)
Provisions	(917)	(877)	(1,193)
Current tax liabilities	(2,215)	(429)	(837)
Borrowings	(6,913)	(41,441)	(14,737)
Lease liabilities	(6,139)	(5,517)	(6,950)
Deferred and contingent consideration	(1,250)	(591)	(984)
Minority shareholder put option liabilities	(26,953)	(421)	(20,788)
	(218,341)	**(195,906)**	**(199,538)**
Net current (liabilities) / assets	**(14,522)**	**(3,938)**	**2,869**
Total assets less current liabilities	**99,950**	**99,810**	**117,471**
Non-current liabilities			
Deferred tax liabilities	(902)	(352)	(777)
Borrowings	(9,795)	(353)	(19,821)
Lease liabilities	(48,371)	(39,495)	(49,895)
Minority shareholder put option liabilities	(5,296)	(1,926)	(11,572)
Other non-current liabilities	(3,322)	(4,444)	(2,549)
	(67,686)	**(46,570)**	**(84,614)**
Total net assets	**32,264**	**53,240**	**32,857**

Unaudited Consolidated balance sheet (continued)

	Six months ended 30 June 2022	Six months ended 30 June 2021	Year ended 31 December 2021
	£000	£000	£000
Equity			
Share capital	1,227	1,224	1,227
Share premium	50,327	50,327	50,327
Merger reserve	37,554	37,554	37,554
Treasury reserve	(550)	(550)	(550)
Minority interests put option reserve	(6,615)	(4,615)	(6,615)
Non-controlling interests acquired	(29,190)	(27,934)	(29,190)
Foreign exchange reserve	5,841	(539)	1,853
Accumulated loss	(26,564)	(2,526)	(22,122)
Equity attributable to shareholders of the Group	32,030	52,941	32,484
Non-controlling interests	234	299	373
Total equity	**32,264**	**53,240**	**32,857**

Unaudited Consolidated Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Treasury reserve	MI put option reserve	Non-controlling interests acquired	Foreign exchange reserves	Retained earnings/ (accumulated losses)	Subtotal	Non-controlling interests in equity	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 December 2021	**1,227**	**50,327**	**37,554**	**(550)**	**(6,615)**	**(29,190)**	**1,853**	**(22,122)**	**32,484**	**373**	**32,857**
Share option charge	–	–	–	–	–	–	–	195	**195**	–	**195**
Payment of restricted share awards	–	–	–	–	–	–	–	(500)	**(500)**	–	**(500)**
Dividends	–	–	–	–	–	–	–	–	–	(287)	**(287)**
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(305)**	**(305)**	**(287)**	**(592)**
Total (loss)/profit for the period	–	–	–	–	–	–	–	(4,137)	**(4,137)**	148	**(3,989)**
Total other comprehensive income for the period	–	–	–	–	–	–	3,988	–	**3,988**	–	**3,988**
At 30 June 2022	**1,227**	**50,327**	**37,554**	**(550)**	**(6,615)**	**(29,190)**	**5,841**	**(26,564)**	**32,030**	**234**	**32,264**

	Share capital	Share premium	Merger reserve	Treasury reserve	MI put option reserve	Non-controlling interests acquired	Foreign exchange reserves	Retained earnings/ (accumulated losses)	Subtotal	Non-controlling interests in equity	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 December 2020	**1,159**	**44,607**	**37,554**	**(550)**	**(4,953)**	**(29,190)**	**1,210**	**(4,939)**	**44,898**	**233**	**45,131**
Acquisitions	54	4,949	–	–	(2,000)	–	–	–	**3,003**	–	**3,003**
Exercise of Minority Interests put options	5	419	–	–	338	–	–	–	**762**	–	**762**
Transfer from equity to cash-settled put options	–	–	–	–	–	–	–	(32,555)	**(32,555)**	–	**(32,555)**
Transfer from cash to equity-settled put options	–	–	–	–	–	–	–	994	**994**	–	**994**
Share option charge	–	–	–	–	–	–	–	2,235	**2,235**	–	**2,235**
Buyout of equity put options in cash	–	–	–	–	–	–	–	(632)	**(632)**	–	**(632)**
Issue of shares	6	352	–	–	–	–	–	–	**358**	–	**358**
Exercise of Put options	3	–	–	–	–	–	–	(3)	**–**	–	**–**
Disposal of subsidiaries	–	–	–	–	–	–	(21)	21	**–**	–	**–**
Dividends	–	–	–	–	–	–	–	–	**–**	(276)	**(276)**
Total transactions with owners	68	5,720	–	–	(1,662)	–	(21)	(29,940)	**(25,835)**	(276)	**(26,111)**
Total profit for the period	–	–	–	–	–	–	–	12,757	**12,757**	416	**13,173**
Total other comprehensive income for the period	–	–	–	–	–	–	664	–	**664**	–	**664**
At 31 December 2021	**1,227**	**50,327**	**37,554**	**(550)**	**(6,615)**	**(29,190)**	**1,853**	**(22,122)**	**32,484**	**373**	**32,857**

Unaudited Consolidated Cashflow Statement and Analysis of Net Cash

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 December 2021 £000
Operating profit	**2,736**	**7,049**	**27,258**
Adjustments for:			
Depreciation of plant and equipment	1,263	1,200	2,237
Depreciation of right-of-use assets	3,280	3,062	6,959
Loss on sale of plant and equipment	–	40	95
Loss on sale of software intangibles	–	–	824
Revaluation of financial assets at FVTPL	(452)	–	(3,533)
Revaluation of contingent consideration	266	–	532
Amortisation of acquired intangible assets	302	1,504	965
Impairment of goodwill and other intangibles	–	885	1,900
Impairment and amortisation of capitalised software intangible assets	152	180	1,484
Equity settled share-based payment expenses	195	868	2,235
Operating cash before movements in working capital	**7,742**	**14,788**	**40,956**
Increase in trade and other receivables	(16,684)	(23,117)	(38,912)
Increase in trade and other payables	26,225	13,178	23,434
(Decrease)/Increase in provisions	(276)	–	316
Cash generated from operations	**17,007**	**4,849**	**25,794**
Tax paid	(4,412)	(166)	(6,844)
Net cash from operating activities	**12,595**	**4,683**	**18,950**
Investing activities			
Acquisitions of subsidiaries equity net of cash acquired	–	1,324	633
Disposal of associate or subsidiary (net of cash disposed of)	–	(536)	(2)
Acquisitions of unlisted investments	–	(24)	(81)
Proceeds from sale of unlisted investments	138	–	209
Proceeds from sale of plant and equipment	–	7	223
Purchase of plant and equipment	(1,181)	(571)	(1,789)
Purchase of capitalised software	(220)	–	(837)
Interest received	70	84	260
Net cash (used in)/generated from investing activities	**(1,193)**	**284**	**(1,384)**
Net cash from operating and investing activities	**11,402**	**4,967**	**17,566**

Unaudited Consolidated Cashflow Statement and Analysis of Net Cash

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 December 2021 £000
Net cash from operating and investing activities	**11,402**	**4,967**	**17,566**
Financing activities			
Dividends paid to non-controlling interests	(287)	–	(152)
Cash consideration for non-controlling interests acquired	–	–	(5,348)
Buyout of put options in cash	(1,729)	–	(632)
Payment of lease liabilities	(3,454)	(3,406)	(6,210)
Proceeds from bank loans	–	31,806	9,301
Repayment of bank loans	(10,000)	(29,324)	(16,909)
Borrowing costs	–	(234)	(602)
Interest paid	(619)	(563)	(1,556)
Interest paid on lease liabilities	(1,489)	(1,202)	(2,800)
Net cash used in financing activities	**(17,578)**	**(2,923)**	**(24,907)**
Net (decrease)/ increase in cash and cash equivalents	**(6,176)**	**2,044**	**(7,341)**
Effect of exchange rate fluctuations on cash held	1,031	(623)	(55)
Cash and cash equivalents at the beginning of the year	54,979	62,375	62,375
Total cash and cash equivalents at the end of period	**49,834**	**63,796**	**54,979**
Cash and cash equivalents	56,429	73,641	69,419
Bank overdrafts[1]	(6,595)	(9,845)	(14,440)
Total cash and cash equivalents at the end of period	**49,834**	**63,796**	**54,979**
Bank loans and borrowings	(10,113)	(31,949)	(20,590)
Net cash	**39,721**	**31,847**	**34,389**

[1] These overdrafts are legally offset against balances held in the UK; however, they have not been netted off in accordance with the requirements of IAS32.42.

Notes to the Unaudited Consolidated Interim Financial Statements (continued)

1. General information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office and the Company is 36 Golden Square, London W1F 9EE.

The Company is listed on the AIM market of the London Stock Exchange.

This consolidated half-yearly financial information was approved for issue on 6 September 2022.

The comparative financial information for the year ended 31 December 2021 in this interim report does not constitute statutory accounts for that year.

The statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. Basis of preparation

This consolidated half-yearly financial information for the six months ended 30 June 2022 has been prepared on the going concern basis, in accordance with the AIM Rules for companies. The interim report does not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2021.

3. Use of judgements and estimates

In the course of preparing the interim unaudited consolidated half-yearly financial information, management necessarily makes judgements and estimates that can have a significant impact on the interim financial statements. These estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgements

Management has considered the following judgements, which have the most significant effect in terms of the amounts recognised, and their presentation, in the interim consolidated financial statements. These are the same accounting estimates and judgements the Group has applied in its financial statements for the year ended 31 December 2021:

- Non-controlling interests put option accounting – IFRS 2 or IFRS 9

The key judgement is whether the awards are given beneficially as a result of employment, which can be determined where there is an explicit service condition, where the award is given to an existing employee, where the employee is being paid below market value or where there are other indicators that the award is a reward for employment. In such cases, the awards are accounted for as a share-based payment in exchange for employment services under IFRS 2.

Otherwise, where the holder held shares prior to the Group acquiring the subsidiary, or gained the equity to start a subsidiary using their unique skills, and there are no indicators it should be accounted for under IFRS 2, then the award is accounted for under IFRS 9.

- Impairment – assessment of CGUs and assessment of indicators of impairment

Impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. Assets with finite lives are reviewed for indicators of impairment (an impairment “trigger”) and judgement is applied in determining whether such a trigger has occurred. External and internal factors are monitored by management, including a) adverse changes in the economic or political situation of the geographic locale in which the underlying entity operates, b) heightened risk of client loss or chance of client gain, and c) internal reporting suggesting that an entity’s future economic performance is better or worse than previously expected. Where management have concluded that such an indication of impairment exists, then the recoverable amount of the asset is assessed.

For the interim financial statements, management have concluded that no such indication of impairment exists.

- Deferred tax assets

The Group assesses the future availability of carried forward losses and other tax attributes by reference to jurisdiction-specific rules around carry forward and utilisation and it assesses whether it is probable that future taxable profits will be available against which the attribute can be utilised.

Significant estimates and assumptions

The areas of the Group’s interim financial statements subject to key assumptions and other significant sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Group has based its assumptions and estimates on parameters available when the interim financial statements were prepared.

- Fair value measurement of financial instruments

The Group holds certain financial instruments which are recorded on the balance sheet at fair value at the point of recognition and remeasured at the end of each reporting period. At the period end these relate to:

(i) equity investments at FVTPL in non-listed limited companies; and
(ii) and certain contingent consideration.

No formal market exists to trade these financial instruments and, therefore, their fair value is measured by the most appropriate valuation techniques available, which vary based on the nature of the instruments. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, judgement is required to establish fair values.

- Share-based incentive arrangements

Share-based incentives are valued at the date of the grant, using stochastic Monte Carlo pricing models with non-market vesting conditions. Typically, the value of these awards is directly related to the performance of a particular entity of the Group in which the employee holds a minority interest, the Company's share price (market vesting condition) and the future profitability of the Group (non-market vesting condition). For elements that are based on market vesting conditions, the key inputs to the pricing model are risk-free interest rates, share price volatility and expected future performance of the entity to which the award relates. Management apply judgement to these inputs, using various sources of information, including the Company's share price, experience of past performance and published data on risk-free interest rates (government gilts). For elements that are based on non-market vesting conditions, periodic reassessment of the future profitability of the Group is made and the accounting charge is adjusted.

4. Headline results and earnings per share

Headline results – Six Months Ended 30 June 2022

	Statutory results	Separately disclosed items[1]	Amortisation of acquired intangibles[2]	FVTPL investments under IFRS 9	Revaluation of contingent consideration	Dividends paid to IFRS 2 put holders	Put option accounting	Headline results
	£000	£000	£000	£000	£000	£000	£000	£000
Net revenue	**129,394**	**–**	**–**	**–**	**–**	**–**	**–**	**129,394**
Staff costs	**(94,401)**	903	–	–	–	4,635	953	**(87,910)**
Depreciation	**(4,543)**	–	–	–	–	–	–	**(4,543)**
Amortisation	**(454)**	–	302	–	–	–	–	**(152)**
Other operating charges	**(27,712)**	8,345	–	391	266	–	–	**(18,710)**
Other gains/ losses	**452**	–	–	(452)	–	–	–	**–**
Operating profit	**2,736**	**9,248**	**302**	**(61)**	**266**	**4,635**	**953**	**18,079**
Finance income	**70**	–	–	–	–	–	–	**70**
Finance expense	**(2,501)**	–	–	–	–	–	393	**(2,108)**
Profit before taxation	**305**	**9,248**	**302**	**(61)**	**266**	**4,635**	**1,346**	**16,041**
Taxation	**(4,294)**	(298)	(88)	18	–	–	–	**(4,662)**
(Loss)/profit for the year	**(3,989)**	**8,950**	**214**	**(43)**	**266**	**4,635**	**1,346**	**11,379**
Non-controlling interests	**(148)**	–	–	–	–	(3,441)	–	**(3,589)**
(Loss)/profit attributable to equity holders of the Group	**(4,137)**	**8,950**	**214**	**(43)**	**266**	**1,194**	**1,346**	**7,790**

[1] Refer to Note 5

[2] Amortisation of intangible assets acquired in business combinations (including goodwill and acquired intangibles but excluding software).

Notes to the Unaudited Consolidated Interim Financial Statements (continued)

Earnings per share – Six Months Ended 30 June 2022

Basic and diluted earnings per share are calculated by dividing appropriate earnings metrics of the Group by the weighted average number of the Company's shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. The dilutive effect of unvested outstanding options is calculated based on the number that would vest had the balance sheet date been the vesting date.

	Statutory 2022	Headline 2022
(Loss)/profit attributable to equity shareholders of the Group (£000)	**(4,137)**	**7,790**
Basic earnings per share		
Weighted average number of shares (thousands)	**122,257**	**122,257**
Basic (loss)/earnings per share	**(3.38)p**	**6.37p**
Diluted earnings per share		
Weighted average number of shares (thousands) as above	**122,257**	**122,257**
Diluted (loss)/earnings per share	**(3.38)p**	**6.37p**

Headline results – Six Months Ended 30 June 2021

	Statutory results	Separately disclosed items	Gain/loss on disposal of subsidiaries	Amortisation of acquired intangibles	FVTPL investments under IFRS 9	Dividends paid to IFRS 2 put holders	Put option accounting	Headline results
	£000	£000	£000	£000	£000	£000	£000	£000
Net revenue	**118,061**	**–**	**–**	**–**	**–**	**–**	**–**	**118,061**
Staff costs	**(85,485)**	1,250	26	–	–	1,507	868	**(81,834)**
Depreciation	**(4,262)**	–	–	–	–	–	–	**(4,262)**
Amortisation	**(1,684)**	–	–	1,504	–	–	–	**(180)**
Impairments	**(885)**	–	–	–	–	–	–	**(885)**
Other operating charges	**(18,696)**	6	94	–	48	–	–	**(18,548)**
Operating profit	**7,049**	**1,256**	**120**	**1,504**	**48**	**1,507**	**868**	**12,352**
Share of results of associates and JV	**27**	–	–	–	–	–	–	**27**
Gain / Loss on disposal of subsidiaries	**65**	–	(65)	–	–	–	–	**–**
Finance income	**60**	–	–	–	–	–	–	**60**
Finance expense	**(2,426)**	–	–	–	–	–	479	**(1,947)**
Profit before taxation	**4,775**	**1,256**	**55**	**1,504**	**48**	**1,507**	**1,347**	**10,492**
Taxation	**(3,184)**	(237)	(21)	(349)	(9)	-	–	**(3,800)**
Profit for the period	**1,591**	**1,019**	**34**	**1,155**	**39**	**1,507**	**1,347**	**6,692**
Non-controlling interests	**(66)**	–	–	–	–	(2,638)	–	**(2,704)**
Profit/(loss) attributable to equity holders of the Group	**1,525**	**1,019**	**34**	**1,155**	**39**	**(1,131)**	**1,347**	**3,988**

Notes to the Unaudited Consolidated Interim Financial Statements (continued)

Earnings per share – Six Months Ended 30 June 2021

	Statutory 2021	Headline 2021
Profit attributable to equity shareholders of the Group (£000)	**1,525**	**3,988**
Basic earnings per share		
Weighted average number of shares (thousands)	**119,983**	**119,983**
Basic earnings per share	**1.27p**	**3.32p**
Diluted earnings per share		
Weighted average number of shares (thousands) as above	**119,983**	**119,983**
Add		
– Conditional shares	7,738	7,738
– Contingent consideration	450	450
Total	**128,171**	**128,171**
Diluted earnings per share	**1.19p**	**3.11p**

Notes to the Unaudited Consolidated Interim Financial Statements (continued)

Headline results – Year Ended 31 December 2021

	Statutory results	Separately disclosed items	Amortisation of acquired intangibles	Impairment of non-current assets	Net loss on disposal of subsidiaries and related costs	Revaluation of associates on transition to subsidiaries	FVTPL investments under IFRS 9	Revaluation of contingent consideration	Dividends paid to IFRS2 put holders	Put option accounting	Headline results
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net revenue	**249,336**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**249,336**
Staff costs	**(172,493)**	(3,975)	–	–	28	–	–	–	5,270	1,225	**(169,945)**
Depreciation	**(9,196)**	–	–	–	–	–	–	–	–	–	**(9,196)**
Amortisation	**(1,412)**	–	965	–	–	–	–	–	–	–	**(447)**
Impairments	**(2,937)**	–	–	2,413	–	–	–	–	–	–	**(524)**
Other operating charges	**(39,573)**	192	–	–	97	–	664	532	–	–	**(38,088)**
Other gains / losses	**3,533**	–	–	–	–	–	(3,533)	–	–	–	**–**
Operating Profit	**27,258**	**(3,783)**	**965**	**2,413**	**125**	**–**	**(2,869)**	**532**	**5,270**	**1,225**	**31,136**
Share of results of associates and JV	**(190)**	–	–	–	–	234	–	–	–	–	**44**
Gain on disposal of subsidiaries	**42**	–	–	–	(42)	–	–	–	–	–	**–**
Impairment of associate investment	**(357)**	–	–	357	–	–	–	–	–	–	**–**
Finance income	**260**	–	–	–	–	–	–	–	–	–	**260**
Finance expense	**(5,381)**	–	–	–	–	–	359	–	–	896	**(4,126)**
Profit before taxation	**21,632**	**(3,783)**	**965**	**2,770**	**83**	**234**	**(2,510)**	**532**	**5,270**	**2,121**	**27,314**
Taxation	**(8,459)**	743	(246)	–	–	–	680	–	11	–	**(7,271)**
Profit for the year	**13,173**	**(3,040)**	**719**	**2,770**	**83**	**234**	**(1,830)**	**532**	**5,281**	**2,121**	**20,043**
Non-controlling interests	**(416)**	–	–	–	–	–	–	–	(5,940)	–	**(6,356)**
Profit attributable to equity holders of the Group	**12,757**	**(3,040)**	**719**	**2,770**	**83**	**234**	**(1,830)**	**532**	**(659)**	**2,121**	**13,687**

Notes to the Unaudited Consolidated Interim Financial Statements (continued)

Earnings per share – Year Ended 31 December 2021

Year ended 31 December 2021	Statutory 2021	Headline 2021
Profit attributable to equity shareholders of the Group (£000)	**12,757**	**13,687**
Basic earnings per share		
Weighted average number of shares (thousands)	121,130	121,130
Basic EPS	**10.53p**	**11.30p**
Diluted earnings per share		
Weighted average number of shares (thousands) as above	121,130	121,130
Add		
– LTIP	178	178
– Restrictive Shares	649	649
– Deferred consideration (payable in cash)	695	695
– Put options (payable in cash)	13,342	13,342
Total	**135,994**	**135,994**
Diluted EPS	**9.38p**	**10.06p**
	135,994	135,994
Excluding the deferred consideration (payable in cash)	(695)	(695)
Excluding the put options (payable in cash)	(13,342)	(13,342)
Weighted average numbers of shares (thousands) including dilutive shares	121,957	121,957
Diluted EPS – excluding items we intend and are able to pay in cash	**10.46p**	**11.22p**

5. Separately disclosed items

Separately disclosed items include one-off, non-recurring revenues or expenses. These are shown separately and are excluded from Headline profit to provide a better understanding of the underlying results of the Group.

30 June 2022

Separately disclosed items for the six months ended 30 June 2022 comprise the following:

	Operating costs £000	Staff costs £000	Taxation £000	Total £000
Takeover transaction costs	8,645	903	(298)	**9,250**
Other	(300)	–	–	**(300)**
Total separately disclosed items	**8,345**	**903**	**(298)**	**8,950**

During 2022, the Company has been subject to two competing offers to acquire the entire issued share capital of the Company. Managing the Company's response to these two offers has resulted in significant external advisory costs and a refocusing of several key internal personnel away from the day-to-day running of the business. Included in the above is £811k related to senior management costs, which are either directly attributable to the proposed transaction or are an estimate of time spent on the transaction where they have been unable to undertake other planned strategic activities and day-to-day management of the Group (including £360k representing CEO time).

Other separately disclosed items relate to the release of the provision associated with the Financial Conduct Authority investigation, which is now closed with no enforcement action being taken, the cost of which was previously treated as Non-Headline.

30 June 2021

Separately disclosed items for the six months ended 30 June 2021 comprise the following:

	Operating costs £000	Staff costs £000	Taxation £000	Total £000
Restructuring	–	275	(52)	**223**
Legal and other fees	6	–	–	**6**
Repayment of furlough money	–	975	(185)	**790**
Total separately disclosed items	**6**	**1,250**	**(237)**	**1,019**

Separately disclosed items of £275k relate to restructuring. This process started in 2019 and continued through 2020 and into 2021. In addition, we recognised the repayment of the furlough money that was received in 2020.

31 December 2021

Separately disclosed items for the year ended 31 December 2021 comprise the following:

	Operating costs £000	Staff costs £000	Taxation £000	Total £000
Strategic review and restructuring	192	(2,751)	466	**(2,093)**
Forgiveness of US Payment Protection Program ("PPP") loan	–	(2,200)	462	**(1,738)**
Repayment of UK furlough money	–	976	(185)	**791**
Total separately disclosed items	**192**	**(3,975)**	**743**	**(3,040)**

In 2021, we recognised the repayment of the UK furlough money that was received in 2020 and the forgiveness of the US "PPP" loans that were received in 2020. Included within strategic review and restructuring above are the release of a long-term incentive plan accrual for a previous employee who is no longer part of the business (£1.8m of this relates to pre-2021) and the lease surrender expense incurred during 2021, due to restructuring of two lease spaces.

Notes to the unaudited consolidated interim financial statements (continued)

6. Segmental information

The Group's operating segments are aligned to those business units that are regularly evaluated by the chief operating decision maker ("CODM"), namely, the Board, in making strategic decisions, assessing performance and allocating resources.

The operating segments have historically compromised of individual country entities, the financial information of which is provided to the CODM and is aggregated into specific geographic regions on a Headline basis, with each geographic region considered a reportable segment. Each country included in that region has similar economic and operating characteristics. The products and services provided by entities in a geographic region are all related to marketing communications services and generally offer complementary products and services to their customers.

We also assess the Group's performance by specialism, namely Advertising & CRM, High Growth Specialisms and Group Central Costs. The segmental information is reconciled to the Headline results in Note 4.

Segmental Information by Specialisms[1]

	Advertising & CRM	High Growth Specialisms	Group Central Costs	Total
Six Months Ended 30 June 2022	**£000**	**£000**	**£000**	**£000**
Net revenue	**61,011**	**68,383**	**–**	**129,394**
Operating profit/(loss)	**2,859**	**20,142**	**(4,922)**	**18,079**
Operating profit margin	**4.7%**	**29.5%**	**–**	**14.0%**
Profit/(loss) before tax	**1,966**	**19,183**	**(5,108)**	**16,041**

	Advertising & CRM	High Growth Specialisms	Group Central Costs	Total
Six Months Ended 30 June 2021	**£000**	**£000**	**£000**	**£000**
Net revenue	**61,593**	**56,468**	**–**	**118,061**
Operating profit/(loss)	**5,272**	**13,098**	**(6,018)**	**12,352**
Operating profit margin	**8.6%**	**23.2%**	**–**	**10.5%**
Profit/(loss) before tax	**3,976**	**13,075**	**(6,559)**	**10,492**

[1] The segmental reporting reflects Headline results

Notes to the unaudited consolidated interim financial statements (continued)

Year Ended 31 December 2021	Advertising & CRM £000	High Growth Specialisms £000	Group Central Costs £000	Total £000
Net revenue	127,195	122,141	–	249,336
Operating profit/(loss)	11,052	32,244	(12,160)	31,136
Operating profit margin	9%	26%	–	12%
Profit/(loss) before tax	9,370	30,792	(12,848)	27,314

Segmental Information by Geography

Six Months Ended 30 June 2022	UK £000	Europe £000	Middle East and Africa £000	Asia £000	Australia £000	Americas £000	Group Central Costs £000	Total £000
Net revenue	49,126	7,644	10,900	12,310	25,726	23,688	–	129,394
Operating profit/(loss)	11,232	715	912	4,185	2,091	3,866	(4,922)	18,079
Operating profit margin	22.9%	9.4%	8.4%	34.0%	8.1%	16.3%	–	14.0%
Profit/(loss) before tax	11,550	684	767	4,146	1,686	2,316	(5,108)	16,041

Six Months Ended 30 June 2021	UK £000	Europe £000	Middle East and Africa £000	Asia £000	Australia £000	Americas £000	Group Central Costs £000	Total £000
Net revenue	44,278	7,469	10,214	10,656	25,980	19,464	–	118,061
Operating profit/(loss)	5,907	958	2,155	3,958	1,979	3,413	(6,018)	12,352
Operating profit margin	13.3%	12.8%	21.1%	37.1%	7.6%	17.5%	–	10.5%
Profit/(loss) before tax	6,468	945	1,976	2,856	1,923	2,883	(6,559)	10,492

Notes to the unaudited consolidated interim financial statements (continued)

Year Ended 31 December 2021	UK £000	Europe £000	Middle East and Africa £000	Asia £000	Australia £000	Americas £000	Group Central Costs £000	Total £000
Net revenue	**104,231**	**15,207**	**20,216**	**17,213**	**53,997**	**38,472**	**–**	**249,336**
Operating profit/(loss)	**26,599**	**1,929**	**2,842**	**1,385**	**5,832**	**4,709**	**(12,160)**	**31,136**
Operating profit margin	**26%**	**13%**	**14%**	**8%**	**11%**	**12%**	**–**	**12%**
Profit/(loss) before tax	**26,188**	**1,906**	**2,430**	**756**	**5,257**	**3,625**	**(12,848)**	**27,314**

7. Net finance income / (expense)

	Six months ended 30 June 2022 £000	Six months ended 30 June 2021 £000	Year ended 31 December 2021 £000
Bank interest receivable	66	9	187
Other interest receivable	–	51	47
Sublease finance income	4	–	26
Finance income	**70**	**60**	**260**
Bank interest payable	(508)	(732)	(1,555)
Amortisation of loan costs	(111)	–	(130)
Other interest payable	–	(16)	–
Interest on lease liabilities	(1,489)	(1,200)	(2,800)
Amortisation adjustment to minority shareholder put option liabilities	(393)	(479)	(896)
Finance expense	**(2,501)**	**(2,427)**	**(5,381)**
Net finance expense	**(2,431)**	**(2,367)**	**(5,121)**

8. Taxation

Income tax expenses are recognised based on management's estimate of the average annual Headline income tax expected for the full financial year. The estimated effective Headline annual tax rate used for the six months ended 30 June 2022 is 29.1% (30 June 2021: 36.3%, 31 December 2021: 26.6%). We expect large variations in future tax rates due to significant non-deductible items such as share-based payments (put option charges) and dividends that are payable to minority shareholders that are defined as a staff cost. Regarding the tax treatment of the takeover transaction costs, the majority of these have been treated as non-deductible for corporation tax provision purposes, pending further detailed analysis of the advisory fees, which will be clarified in H2 2022.

9. Dividends

The Company did not pay any dividends in 2021 and no interim dividend is proposed for 2022. The dividend policy and capital allocation strategy were assessed as part of the Group's recent strategic review. The Board concluded that the Group's priority is to return the business to pre-pandemic levels of profitability and earnings and, thereafter, to grow in line with the targets previously communicated to the market in April 2022.

10. Share-based payments

In 2021, the Board made the decision that all put options will be settled in cash. We have, however, retained the optionality to issue shares to settle put options in the future, should circumstances warrant.

Total future expected liabilities at 30 June 2022

			Potentially payable						
At 160p	**Paid 1st Half 2022**	**Payable 2nd half 2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
IFRS9 put option schemes*	–	2,498	747	1,294	–	–	2,372	–	**6,911**
IFRS2 put option schemes**	1,229	7,099	15,349	3,288	428	2,039	514	705	**29,422**
LTIP***	–	–	–	2,344	–	–	–	–	**2,344**
Restrictive share awards***	578	–	–	–	–	–	–	–	–
Deferred and contingent consideration	–	1,250	–	–	–	–	–	–	**1,250**
Total	**1,807**	**10,847**	**16,096**	**6,926**	**428**	**2,039**	**2,886**	**705**	**39,927**

* At 30 June 2022 IFRS9 put option schemes includes a £1,279k fair value discount for time.
** At 30 June 2022 91% of IFRS2 put option schemes by value were vested. The balance sheet liability at 30 June 2022 is £26,674k.
*** LTIP & restrictive shares are accounted for as equity-settled, and thus do not create a balance sheet liability.

Put option holders are not required to exercise their put options at the first opportunity. Many do not and prefer to remain shareholders in the subsidiary companies they manage. As a result, some put option holders may not exercise their put options on the dates we have estimated in the table above. If the Company in future decides to settle these put options with the Company's shares, then the amount of Company shares that will be provided is equal to the liability divided by the Company's share price at the date of settlement.

Notes to the unaudited consolidated interim financial statements (continued)

Effect of a change in share price

The same data from the table above is presented in the table below, but in this analysis the potential payments are based on a range of different potential future share prices.

			Potentially payable						
Future share price of Company	Paid 1st Half 2022	Payable 2nd half 2022	2023	2024	2025	2026	2027	2028	Total payable
	£000	£000	£000	£000	£000	£000	£000	£000	£000
150.0p	1,807	10,847	15,090	6,593	398	1,930	2,854	661	38,373
160.0p	1,807	10,847	16,096	6,926	428	2,039	2,886	705	39,927
175.0p	1,807	10,847	17,605	7,425	474	2,204	2,934	771	42,260
200.0p	1,807	10,847	20,119	8,395	551	2,479	3,268	882	46,541
225.0p	1,807	10,847	22,496	9,264	627	2,754	3,677	992	50,657
250.0p	1,807	10,847	24,881	10,141	725	3,028	4,086	1,102	54,810
300.0p	1,807	10,847	29,651	11,904	926	3,578	4,903	1,322	63,131

11. Events after the balance sheet date

Subsequent to the period end, one of the unlisted investments held as a financial asset at fair value, entered into administration. The value of this investment had been written down by £3.3million to nil at 30 June 2022.

In August 2022, the Group decided to close part of the German operations, resulting in a write off of goodwill of £1.3m. This decision was made after 30 June 2022 and therefore has not been reflected in this financial information.

Neither of these subsequent events impact the Headline results.

The Directors are not aware of any other events since June 30 2022 that have had, or may have, a significant impact on the Group’s operations, the results of those operations, or the state of affairs of the Group in future years.