27 September 2023

Zinc Media Group plc
(“Zinc Media”, the “Group” or the “Company”)

Interim results for the six months ended 30 June 2023

Zinc Media Group plc (AIM: ZIN), the award-winning television, brand and audio production group, is pleased to announce its unaudited interim results for the six months to 30 June 2023 (“H1 2023”).

Headlines

The Group is pleased to report excellent progress in H1 2023 and continues to trade in line with market expectations for the current financial year. The first half of 2023 includes the following highlights:

- Revenue of £18.1m (H1 2022: £10.8m), an increase of 68% year-on-year.
    - Organic revenue growth (i.e. all businesses excluding The Edge) of 12% and a strong customer base providing continuing high net revenue retention
    - Growth in both TV and Content Production revenue
    - The Edge continues to perform ahead of acquisition expectations
- Adjusted EBITDA[1] profit of £0.2m compared to an Adjusted EBITDA profit of £0.1m in the whole prior financial year (H1 2022: loss of £0.6m).
- Gross margins in the period were significantly up at 41% (H1 2022: 33%).
- Cash of £5.8m at 30 June 2023 is £2.2m higher than at 31 December 2022 due to working capital inflows.
- As at 25 September 2023, total revenue won and expected to be recognised in FY23 is £35m. This is an increase of £4m since the last trading update in July 2023 and an improvement of £8m compared to the same point in 2022 in relation to that financial year.
- With £35m of revenue already won and expected to be recognised this year, revenue for the whole year will significantly exceed the £30m of revenue generated in FY22.
- The Group’s pipeline remains strong with a further £7m of revenue that can be recognised in FY23 in highly advanced discussions.
- Loss before tax in the period of £1.6m (H1 2022: £1.8m) is mainly driven by costs relating to the acquisition of The Edge (revaluation of deferred consideration due to The Edge’s strong performance, amortisation, unwinding of discounted deferred consideration), depreciation and finance costs resulting from The Edge being in the Group this period, plus depreciation and finance costs.

Operational Highlights

- The Group was awarded “Production Company of the Year” at the prestigious New York Festival Film and Television Awards.
- The Group produced a number of highly acclaimed documentaries that led the news agenda and got the nation talking including:
    - Making global headlines with the documentary *Putin vs The West*, which was one of the most watched programmes on BBC iPlayer.

[1] Adjusted EBITDA is defined as EBITDA before Adjusting Items comprising share based payment charges, profit/loss on disposal of fixed assets, reorganisation and restructuring costs, acquisition costs and change in fair value of contingent consideration

    - *Bowelbabe: In Her Own Words* for the BBC, which details the extraordinary last five years of cancer campaigner Dame Deborah James' life, received national press coverage, was on the front page of the Radio Times and has been nominated for a Grierson award.
    - *Gender Wars*, exploring the issue of transgender women's rights, was made for Channel 4 as part of its remit to make agenda setting programmes which tackle contentious issues.
- The Group won its largest ever television commission in a two-year deal worth over £7m. The commission is from Channel 5 for 136 hours of the hit show *Bargain Loving Brits*.
- The Group produced its biggest ever digital branded content commission *Big in America with Alex Polizzi*. It was commissioned by the Department for Business & Trade and is being broadcast on LinkedIn.
- The Group has partnered with Idris Elba to produce *Paid in Full: The Battle for Payback* (working title) for broadcasters CBC (Canadian Broadcasting Corporation) and the BBC, examining the systematic exploitation of black artists by the music industry.
- The Group's television label Atomic Television, only launched in January 2023, won its first commission with a substantial contract worth over £1m for an international blue-chip broadcaster.

Outlook

- The recent period of new business conversion underpins the Board's confidence in meeting market expectations for the financial year, including substantially increased Adjusted EBITDA profitability in the second half of the year.

- The Edge is performing ahead of acquisition expectations and its integration is progressing well: cross-divisional business development opportunities have been identified and the co-location with Zinc's other London businesses is complete which will enable cost savings and further synergies.

- The Group has a strong pipeline of potential new business for 2024 and has £11m of revenue already won and expected to be recognised in FY24. This is £5m ahead of revenue won at the same point last year for recognition in the following year.

Mark Browning, Chief Executive, commented: "We are delighted with our H1 performance in a challenging content production market. Our year-on-year increase of this scale bucks the market trend. This is the result of a robust strategy rooted in organic growth alongside the acquisition of The Edge. The investments made in the transformation plan are delivering, every business in the Group is growing and we are confident of meeting market expectations for the year."

A copy of the interim results will be made available on the Company's website, zincmedia.com.

For further information, please contact:

Zinc Media Group plc	**+44 (0) 20 7878 2311**
Mark Browning, CEO / Will Sawyer, CFO	
www.zincmedia.com	
Singer Capital Markets (Nominated Adviser and Broker)	**+44 (0) 20 7496 3000**
James Moat / George Tzimas / Alex Emslie	
IFC Advisory Ltd (Financial PR)	**+44 (0) 20 3934 6630**
Graham Herring / Zach Cohen	

CHAIRMAN'S STATEMENT

We are delighted to report a strong set of H1 results. Content production is typically weighted to H2 so for the Group to report a small profit at Adjusted EBITDA level, while maintaining investment for the longer term, is outstanding. It is worth putting this performance in context. These H1 results are better than the full year results in 2021. This is the scale of growth we are reporting.

In our interim results 12 months ago we said we were looking forward to sustained profitability in 2023 and we are achieving this. With a positive Adjusted EBITDA in H1, we are confident of at least delivering in line with market expectations for the full year, which in turn will be Zinc's strongest financial performance for many years.

This is a company transformed under this management team. They came to Zinc with a track record of turning around underperforming media companies and the results for Zinc are excellent. This turnaround is all the more impressive given the run of poor market conditions which included Brexit, Covid, the cost-of-living crisis and economic downturn impacting on commissioning budgets.

Having invested over the past three years in starting new businesses to increase our addressable market, we are pleased to report that both TV and Content Production are increasing their revenue which is outstanding in this tough market. This year more of the businesses are positively contributing at Adjusted EBITDA level, which is demonstrated in the excellent Adjusted EBITDA year on year performance. Some remain earlier in their investment phase and therefore do not yet contribute positively to the Group's profit but they are of strategic importance and we expect them to do so in time as we continue to invest in their growth. Operating profit is now in sight and with it sustained cash generation.

Creatively, H1 has also seen Zinc at the top of its game with our content leading the national conversation with the likes of *Gender Wars* for Channel 4, *Bowelbabe: In her own words* which told the story of Dame Deborah James, *Blackadder: The Lost Episode* and *Putin vs The West* for the BBC. In production we have *Paid in Full: The Battle for Payback* (working title) in partnership with Idris Elba, *The Grand Tour* with Rob Rinder and Rylan Clarke and *Legends of Comedy* with Lenny Henry. Much of the content produced by The Edge and Zinc Communicate is confidential to those clients we work with, but no less impressive.

Notwithstanding inflationary pressures, the tough content commissioning market and the macro issues affecting the UK public markets, the future of Zinc Media Group is looking brighter than ever. The Group is on course for a period of steady organic growth and sustainable profitability, with the Board focused on providing value to shareholders.

The Board would like to thank the management team, employees and freelancers for their professional and dedicated work, and our shareholders for their continued support.

Christopher Satterthwaite

Chairman

CEO'S REPORT

CURRENT TRADING, STRATEGY AND MARKET OUTLOOK

Trading in the first six months of the year has been excellent with organic revenues increasing 12% to £12.1m (H1 2022: £10.8m), pushing total H1 revenue to £18.1m including The Edge, which was acquired in H2 2022. This excellent performance sees the Group report Adjusted EBITDA profit of £0.2m compared to a H1 2022 loss of £0.6m. For further context the H1 2021 loss was £1.1m, which demonstrates the transformation within the Group.

Despite significant market headwinds in the UK, the FY23 position remains strong with total revenue won and expected to be recognised in this financial year of £35m (as at 25th September). This is an increase of £4m since the last trading update in July 2023 and an improvement of £8m compared to the same point in 2022 in relation to that financial year. This figure already exceeds the £30m of revenue generated in the whole of FY22 and with £7m of revenue at a highly advanced stage we expect further revenue to be won and recognised this year.

The content commissioning market remains poor, particularly within the UK, but the Group is trading strongly with £11m of revenue already won and expected to be recognised in FY24, and this is supported by a healthy pipeline. For context, at this point in 2022 there was £6m booked for FY23.

These financial results demonstrate the effectiveness of the transformation plan enacted in 2019. Our strategy is anchored in investment in organic growth, supplemented by strategic acquisitions, with the aim of delivering a profitable and cash generative content creation group of significant scale listed on the UK public market. Despite unprecedented headwinds caused by Brexit, Covid and more recently inflation and the cost-of-living crisis, the Group is delivering to plan and trading in line with market expectations.

Zinc Media Group now comprises 12 businesses, of which 8 are new since 2020. All are united by a reputation as a trusted partner delivering the highest quality content to our range of international and blue-chip clients in either television production or production for brands and businesses. All Zinc businesses benefit from a shared platform that offers a wide array of resources, including post-production facilities, cutting-edge broadcast technology, financial services, human resources support, public relations, marketing expertise, and IT assistance. Additionally, some of the services available through Zinc's platform are now being made accessible to third-party production companies as a means of generating revenue.

The first six months of 2023 have seen a number of creative highlights and further new business launches in the Group.

Our television labels continue to produce some of the UK's most talked about television. H1 2023 has been outstanding for Zinc companies. In January *Putin vs The West* made global headlines. This was closely followed by *Bowelbabe: In Her Own Words*, which told the story of cancer campaigner Dame Deborah James, and was featured on the front cover of *The Radio Times*. *Gender Wars* for Channel Four sparked nationwide debate as it skilfully explored the complex issue of trans-gender rights. Gold commissioned *Blackadder: The Lost Episode* which marked the 40th anniversary of the hit show, and the BBC launched a new daytime series *Dr Xand's Con or Cure*. Further successes included the recommission of many Zinc programmes including the hit *Bargain Loving Brits in the Sun* for Channel 5. The company announced a partnership with Idris Elba to produce a series investigating the exploitation of Black music artists and a series with Rylan Clark and Rob Rinder. Tern TV's Belfast based division delivered another successful series of the daytime series *Critical Incident* for BBC ONE and continues to produce the weekly BBC ONE series *Sunday Morning Live*.

Zinc Communicate continues to grow steadily in the face of a difficult advertiser market which is suppressing brand and marketing spend in the UK. Despite this macro-level context, it secured the Group's biggest ever digital branded content commission *Big in America with Alex Polizzi*. This was commissioned by the Department for Business & Trade and is being broadcast on LinkedIn. This piece of work demonstrates the power of the wider Group as this was pitched and developed by Zinc Communicate but produced by Tern TV. Zinc

Communicate's documentary series *The Future of Food*, produced in partnership with the World Farmers' Organisation, launches at COP28 in Dubai later this year. Many of the clients in the Zinc Communicate portfolio of businesses and The Edge keep the nature of the work confidential. One significant new venture in H1 was the launch of the Group's first direct to consumer podcast series, *Tony Robinson's Cunningcast.* Radio programmes in H1 included *Marvel vs DC* for BBC Sounds.

The Edge is performing ahead of acquisition expectations. H2 is typically its strongest half of the year, driven by activity in the Middle East. Integration is progressing well with the company now co-located with Zinc's other London based businesses. Cross-divisional business development opportunities have been identified and property cost savings will start to be realised from H2 2023.

Despite the challenging wider market, the demand for high quality television and content for brands and businesses remains strong, especially in markets outside the UK, where Zinc has diversified in recent years and is further enhanced by the acquisition of The Edge. Broadcasters, platforms, media owners and brands continue to see content as a differentiator with their consumers. Zinc Media Group now produces for all these markets and, while growing, still maintains a relatively small market share. The Group therefore remains confident of delivering further organic growth and profitability in the period ahead.

Mark Browning

Chief Executive Officer

CFO'S REPORT

INCOME STATEMENT

Group revenues in the reporting period were up by 68% year-on-year to £18.1m (H1 2022: £10.8m). TV revenues have grown by 20% to £11.0m (H1 2022: £9.1m), driven by strong performance from the Red Sauce, Supercollider and Rex labels that have only launched in the last few years, plus a strong H1 from Tern. Content Production revenue has grown by 331% to £7.1m (H1 2022: £1.6m) which is driven by the acquisition of The Edge in H2 2022.

Gross margins in the period were 41% (H1 2022: 33%), with the growth attributable to The Edge joining the Group which produces content at higher gross margins than traditionally achieved in television. Despite downward pricing and upward cost pressures, gross margins in the TV and Zinc Communicate businesses have been maintained at the same levels as in FY22.

Operating expenses have risen by £3.3m to £8.7m, a 65% increase on the prior year, which is slightly lower than the Group's revenue growth and is a result of the acquisition of The Edge and continued investment for growth in Zinc Communicate and the new Atomic label in television. Finance costs have risen from £0.2m to £0.6m due to the unwinding of the discounted deferred consideration in relation to The Edge acquisition and the interest rate on the Group's long-term debt having increased.

Improved profitability is anticipated in H2 2023 as television production is typically weighted to the summer and autumn months. This is in line with market expectations.

Earnings per share

Basic and diluted loss per share in the period was 7.44p (H1 2022: 10.48p).

Dividend

No dividend is proposed. The Board considers the Group's investment plans, financial position and business performance in determining when to pay a dividend.

STATEMENT OF FINANCIAL POSITION

Assets

Cash at the end of June 2023 was £5.8m, having increased by £2.2m during the period as a result of working capital improvements.

As at 22 September the Group's cash position was £5.7m.

Equity and Liabilities

The £2.6m increase in equity and liabilities results from the loss for the period being offset by a £4.1m increase in trade and other payables, largely due to an increase in contract liabilities resulting from cash received up front from customers, which will unwind in future periods.

The Group had an outstanding balance on long-term debt of £3.5m as at 30 June 2023 which has remained unchanged (2022: £3.5m). The Directors believe the Group has strong shareholder support, evidenced by shareholders investing £5.0m in new equity last year to support the acquisition of The Edge. The long-term debt holders are also major shareholders who own 42% of the Group's shares, and the debt has no financial covenants.

Will Sawyer
Chief Financial Officer

Zinc Media Group plc consolidated income statement
For the six months ended 30 June 2023

	Note	**Unaudited Half Year to 30 June 2023 £'000**	Unaudited Half Year to 30 June 2022 £'000	Audited Year to 31 December 2022 £'000
Revenue	3	**18,072**	10,775	30,083
Cost of sales		**(10,636)**	(7,263)	(19,880)
Gross Profit		**7,436**	3,512	10,203
Operating expenses		**(8,435)**	(5,118)	(13,083)
Operating loss		**(999)**	(1,606)	(2,880)
Analysed as:				
Adjusted EBITDA		**157**	(645)	75
Depreciation		**(760)**	(385)	(947)
Amortisation		**(231)**	(352)	(715)
Adjusting Items	4	**(165)**	(224)	(1,293)
Operating Loss		**(999)**	(1,606)	(2,880)
Finance costs		**(584)**	(154)	(390)
Finance income		**2**	-	1
Loss before tax		**(1,581)**	(1,760)	(3,269)
Taxation (debit)/credit		**(35)**	63	987
Loss for the period		**(1,616)**	(1,697)	(2,282)
Attributable to:				
Equity holders		(1,623)	(1,701)	(2,297)
Non-controlling interest		7	4	15
Retained loss for the period		**(1,616)**	(1,697)	(2,282)
Earnings per share				
Basic Loss per Share	5	**(7.44)p**	(10.48)p	(12.43)p
Diluted Loss per Share	5	**(7.44)p**	(10.48)p	(12.43)p

Zinc Media Group plc consolidated statement of financial position
As at 30 June 2023

	Note	**Unaudited 30 June 2023 £'000**	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Assets				
Non-current assets				
Goodwill and intangible assets	6	**7,451**	3,464	7,671
Property, plant and equipment	7	**1,126**	850	1,056
Right-of-use assets	9	**707**	943	1,084
		9,284	5,257	9,811
Current assets				
Inventories		**299**	63	73
Trade and other receivables	8	**11,350**	6,327	10,591
Cash and cash equivalents		**5,777**	2,596	3,632
		17,426	8,986	14,296
Total assets		**26,710**	14,243	24,107
Equity and liabilities				
Shareholders' equity				
Called up share capital	12	**27**	20	27
Share premium account		**9,546**	4,785	9,546
Merger reserve		**558**	27	457
Share Based payment reserve		**566**	369	566
Retained earnings		**(5,276)**	(3,087)	(3,653)
Total equity attributable to equity holders of the parent		**5,421**	2,114	6,943
Non-controlling interests		**23**	28	16
Total Equity		**5,444**	2,142	6,959
Liabilities				
Non-current				
Borrowings		**3,480**	3,471	3,490
Provisions	11	**371**	250	242
Lease liabilities	9	**164**	530	352
Trade and other payables		**2,643**	128	2,476
		6,658	4,379	6,560
Current				
Trade and other payables	10	**13,908**	7,300	9,753
Current tax liabilities		**237**	4	160
Lease liabilities	9	**463**	418	675
Borrowings		**-**	-	-
		14,608	7,722	10,588
Total liabilities		**21,266**	12,101	17,148
Total equity and liabilities		**26,710**	14,243	24,107

Zinc Media Group plc consolidated statement of cash flows
For the six months ended 30 June 2023

	Unaudited Half year to 30 June 2023 £'000	Unaudited Half year to 30 June 2022 £'000	Audited Year to 31 December 2022 £'000
Cash flows from operating activities			
Loss for the period before tax	**(1,581)**	(1,760)	(3,269)
Adjustments for:			
Depreciation	**760**	385	947
Amortisation and impairment of intangibles	**231**	352	715
Finance costs	**584**	154	390
Finance income	**(2)**	-	(1)
Share based payment charge	**101**	92	180
(Gain)/Loss on disposal of assets	**(14)**	-	-
Adjustment to property leases	**(129)**		
Consideration paid in shares	**-**	-	30
	(50)	(777)	(1,008)
Decrease/(increase) in inventories	**(225)**	164	191
(Increase)/decrease in trade and other receivables	**(720)**	(2,440)	(2,841)
Increase/(decrease) in trade and other payables	**4,082**	501	(975)
Cash generated from / (used in) operations	**3,087**	(2,552)	(4,689)
Finance income	**2**	-	1
Finance cost	**(23)**	-	(57)
Net cash flows (used in)/generated from operating activities	**3,066**	(2,552)	(4,689)
Investing activities			
Purchase of property, plant and equipment	**(322)**	(115)	(831)
Disposal of property, plant and equipment	**14**		
Purchase of intangible assets	**(12)**	(16)	(50)
Acquisition of subsidiary net of cash acquired	**-**	-	(324)
Net cash flows used in investing activities	**(320)**	(131)	(1,205)
Financing activities			
Borrowings repaid	**(203)**	(111)	(265)
Principal elements of lease payments	**(400)**	(218)	(555)
Issue of ordinary share capital (net of issue costs)	**-**	-	4,767
Dividends paid to NCI			(23)
Net cash flows generated used in financing activities	**(603)**	(329)	3,924
Net increase/(decrease) in cash and cash equivalents	**2,143**	(3,012)	(1,970)
Translation differences	**2**	-	(6)
Cash and cash equivalents at beginning of period	**3,632**	5,608	5,608
Cash and cash equivalents at end of period	**5,777**	2,596	3,632

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2022	**20**	**4,654**	**155**	**27**	**1,158**	**6,014**	**12**	**6,026**
Total comprehensive income for the year	-	-	-	-	(2,297)	(2,297)	15	(2,282)
Equity-settled share-based payments	-	-	180	-	-	180	-	180
Shares issued in placing net of expenses	6	4,761	-	-	-	4,767	-	4,767
Consideration paid in shares	1	-	-	539	-	540	-	540
Shares issued in lieu of fees/Directors remuneration paid in shares	-	-	-	-	30	30	-	30
Dividends paid	-	-	-	-	-	-	(23)	(23)
Total transactions with owners of the Company	7	4,761	180	539	(2,267)	3,220	(8)	3,212
Balance at 31 December 2022	**27**	**9,546**	**457**	**566**	**(3,653)**	**6,943**	**16**	**6,959**
Balance at 1 January 2022	**20**	**4,785**	**277**	**27**	**(1,386)**	**3,723**	**24**	**3,747**
Total comprehensive income for the year	-	-	-	-	(1,701)	(1,701)	4	(1,697)
Equity-settled share-based payments	-	-	92	-	-	92	-	92
Total transactions with owners of the Company	-	-	92	-	(1,701)	(1,609)	4	(1,605)
Balance at 30 June 2022	**20**	**4,785**	**369**	**27**	**(3,087)**	**2,114**	**28**	**2,142**
Balance at 1 January 2023	**27**	**9,546**	**457**	**566**	**(3,653)**	**6,943**	**16**	**6,959**
Total comprehensive income for the year	-	-	-	-	(1,623)	(1,623)	7	(1,616)
Equity-settled share-based payments	-	-	101	-	-	101	-	101
Total transactions with owners of the Company	-	-	101	-	(1,623)	(1,522)	7	(1,515)
Balance at 30 June 2023	**27**	**9,546**	**558**	**566**	**(5,276)**	**5,421**	**23**	**5,444**

Notes to the consolidated financial statements

1) GENERAL INFORMATION

The Company is a public limited company incorporated in the United Kingdom. The address of its registered office is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN. Its shares are traded on the AIM Market of the London Stock Exchange plc (LSE:ZIN).

2) BASIS OF PREPARATION

The interim results for the six months ended 30 June 2023 have been prepared on the basis of the accounting policies expected to be used in the 2023 Zinc Media Group plc Annual Report and Accounts and in accordance with the recognition and measurement requirements of UK adopted International Accounting Standards (IAS) but does not include all the disclosures that would be required under IAS and should be read in conjunction with the accounts for the period ended 31 December 2022.

The same accounting policies, presentation and methods of computation are followed in these interim condensed set of financial statements as have been applied in the Group's latest annual audited financial statements.

The interim results, which were approved by the Directors on 26 September 2023, are unaudited. The interim results do not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

Comparative figures for the 12 months ended 31 December 2022 have been extracted from the statutory accounts for the Group for that period, which carried an unqualified audit report, did not include a reference to any matters to which the auditor drew attention by way of emphasis of matter, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies.

3) SEGMENTAL INFORMATION

The operations of the group are managed in two principal business divisions that generate revenue: Television and Content production. These divisions are the basis upon which the management reports its primary segmental information. The activities undertaken by the Television segment include the production of television. The Content Production segment includes brand and corporate film production, radio and podcast production and publishing.

Revenues by Business Division (continuing operations)	**Unaudited Half Year to 30 Jun 2023 £'000**	Unaudited Half Year to 30 Jun 2022 £'000	Audited Year to 31 Dec 2022 £'000
Television	**11,004**	**9,135**	20,218
Content production	**7,068**	**1,640**	9,865
Total	**18,072**	**10,775**	30,083

4) ADJUSTING ITEMS

Adjusting items are presented separately as, due to their nature or the infrequency of the events giving rise to them, this allows shareholders to understand better the elements of financial performance for the period, to facilitate comparison with prior periods and to assess better the trends of financial performance.

	Unaudited Half Year to 30 Jun 2023 £'000	Unaudited Half Year to 30 Jun 2022 £'000	Audited Year to 31 Dec 2022 £'000
Reorganisation and restructuring costs	**(39)**	(52)	(160)
Acquisition costs	**-**	-	(953)
Share based payment charge	**(101)**	(92)	(180)
Profit on disposal of assets	**14**	-	-
Other exceptional items	**(39)**	(80)	-
Total	**(165)**	(224)	(1,293)

5) EARNINGS PER SHARE

Basic loss per share (EPS) for the period equals the loss after tax from continuing operations attributable to the Company's ordinary shareholders divided by the weighted average number of issued ordinary shares.

When the Group makes a profit from continuing operations, diluted EPS equals the profit attributable to the Company's ordinary shareholders divided by the diluted weighted average number of issued ordinary shares. When the Group makes a loss from continuing operations, diluted EPS equals the loss attributable to the Company's ordinary shareholders divided by the basic (undiluted) weighted average number of issued ordinary shares. This ensures that EPS on losses is shown in full and not diluted by unexercised share options or awards.

	Unaudited Half Year to 30 Jun 2023 £'000	Unaudited Half Year to 30 Jun 2022 £'000	Audited Year to 31 Dec 2022 £'000
Weighted average number of shares used in basic and diluted earnings per share calculation	**21,806,834**	16,200,919	18,480,039
Potentially dilutive effect of share options	**1,549,458**	1,467,502	1,558,184
Basic Loss per Share	(7.44)p	(10.48)p	(12.43)p
Diluted Loss per Share	(7.44)p	(10.48)p	(12.43)p

6) GOODWILL AND INTANGIBLE ASSETS

	Goodwill £000	**Brands £000**	**Customer Relationships £000**	**Software £000**	**Distribution Catalogue £000**	**Total £000**
Net Book Value						
At 30 June 2023	**4,558**	**1,376**	**1,482**	**35**	**-**	**7,451**
At 30 June 2022	3,055	64	279	37	29	3,464
At 31 December 2022	4,558	1,462	1,610	41	-	7,671

7) PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £000	Motor Vehicles £000	Office and computer equipment £000	Total £000
Net book value				
As at 30 June 2023	**146**	**6**	**974**	**1,126**
As at 30 June 2022	222	-	628	850
As at 31 December 2022	185	7	864	1,056

8) TRADE AND OTHER RECEIVABLES

	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Current			
Trade receivables	**7,520**	4,380	6,872
Less provision for impairment	**(270)**	(467)	(380)
Net trade receivables	**7,250**	3,913	6,492
Prepayments	**566**	523	507
Other receivables	**787**	3	1,047
Deferred tax	**41**	-	-
Contract assets	**2,706**	1,888	2,545
Total	**11,350**	6,327	10,591

The carrying amount of trade and other receivables approximates to their fair value. The creation and release of provision for impaired receivables have been included in operating expenses in the income statement.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of asset above. The Group does not hold any collateral as security for trade receivables. The Group is not subject to any significant concentrations of credit risk.

9) LEASES AND RIGHT OF USE ASSETS

Right-of-use assets

	Short leasehold land and buildings £'000	Office and computer equipment £'000	Total £'000
Balance as at 30 June 2022	867	76	943
Additions	-	42	42
Acquired through business combinations	433	-	433
Depreciation	(283)	(51)	(334)
Balance as at 31 December 2022	1,017	67	1,084
Additions	129	-	129
Depreciation	(458)	(48)	(506)
Balance as at 30 June 2023	**688**	**19**	**707**

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Unaudited 30 Jun 2023 £000	Unaudited 30 Jun 2022 £000	Audited 31 Dec 2022 £'000
Current	**463**	418	675
Non-current	**164**	530	352
	627	948	1,027

10) TRADE AND OTHER PAYABLES

	Unaudited 30 Jun 2023 £'000	Unaudited 30 Jun 2022 £'000	Audited 31 Dec 2022 £'000
Current			
Trade payables	**1,892**	1,297	1,415
Other payables	**40**	67	492
Other taxes and social security	**1,275**	770	1,149
Accruals	**3,949**	3,296	4,139
Contract liabilities	**5,907**	1,870	1,895
Contingent consideration payable	**845**	-	663
Total	**13,908**	7,300	9,753
Non-Current			
Contingent consideration payable	**2,643**	-	2,476
Total	**16,551**	7,300	12,229

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. The Group's payables are unsecured.

11) PROVISIONS

	30 Jun 2023 £'000	30 Jun 2022 £'000	31 Dec 2022 £'000
Provisions	**371**	250	242

Movement in provisions

	£'000
At 30 June 2022	250
Net decrease in provision in the period	(8)
At 31 December 2022	**242**
Net Increase in provision in the period	129
At 30 June 2023	**371**

The provisions relate to dilapidations on property leases.

12) SHARE CAPITAL

	Unaudited Half Year to 30 Jun 23		Unaudited Half Year to 30 Jun 22		Audited Year To 31 Dec 2022	
	Number of Shares	**Share Capital £'000**	**Number of Shares**	**Share Capital £'000**	**Number of Shares**	**Share Capital £'000**
Ordinary Shares						
At start of period	**21,806,834**	**27**	16,200,919	20	16,200,919	20
Share placing and subscription for cash	**-**	**-**	-	-	5,037,059	6
Consideration paid in shares	**-**	**-**	-	-	540,000	1
Shares issued in lieu of fees	**-**	**-**	-	-	28,856	0.3
At end of period	**21,806,834**	**27**	**16,200,919**	**20**	**21,806,834**	**27**
Total called up share capital	**21,806,834**	**27**	**16,200,919**	**20**	**21,806,834**	**27**

13) POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.