

15 June 2022

## **Idox plc**

### **Half Year Results for the six months ended 30 April 2022**

#### ***Good performance whilst advancing strategy to focus on software businesses***

Idox plc (AIM: IDOX, 'Idox', 'the Company' or 'the Group'), a leading supplier of specialist information management software and solutions to the public and asset intensive sectors, is pleased to announce its unaudited half year results for the six months ended 30 April 2022 ('H1 FY22').

#### **Financial highlights**

Continuing operations (FY21 comparatives exclude Idox Content businesses disposed in H1 FY21):

##### *Revenue*

- Increased by 7% to £33.2m (H1 FY21: £31.1m), driven by double digit growth in Public Sector Software.
- Recurring revenues<sup>1</sup> increased by 13% to £19.8m (H1 FY21: £17.6m), and now account for 60% of the Group's total revenue (H1 FY21: 57%).

##### *Profit*

- Adjusted<sup>2</sup> EBITDA increased by 8% to £11.0m (H1 FY21: £10.1m).
- Operating profit increased by 3% to £4.3m (H1 FY21: £4.1m).
- Adjusted<sup>2</sup> EBITDA margin consistent at 33% (H1 FY21: 33%).
- Operating profit margin consistent at 13% (H1 FY21: 13%).
- Statutory profit before tax £3.6m (H1 FY21: £3.7m).
- Adjusted<sup>3</sup> diluted EPS increased by 7% to 1.21p (H1 FY21: 1.13p).
- Statutory diluted EPS increased by 1% to 0.68p (H1 FY21: 0.67p).

##### *Cash*

- Net debt<sup>4</sup> reduction of 54% in the period to £3.8m (31 October 2021: net debt £8.1m; 30 April 2021: net cash £7.6m). Comparatives reflect disposal of Content businesses which generated net proceeds of £10.7m in H1 FY21, and three acquisitions completed in H2 FY21 with initial net consideration of £10.5m.
- Significant resources in place to fund M&A, including £35m revolving credit facility and £10m accordion.
- Cash generated from operating activities before taxation as a percentage of Adjusted EBITDA for total operations was 122% (H1 FY21: 169%).

#### **Operational highlights**

- Order intake of c.£40m, up 15% from H1 FY21, with strong pipeline underpinning our confidence over the medium term.
- Contract wins and extensions with increased average tenure across both our Public Sector Software and Engineering Information Management (EIM) businesses.
- Strong double-digit growth in revenue and profit in Public Sector Software buoyed by FY21 acquisitions; weaker performance in EIM due to continued global uncertainties.
- Integration of 2021 acquisitions substantially complete and to plan.
- Continued upscaling of Pune, India, centre of excellence to increase efficiency, capability, and knowledge sharing.
- Good progress on furthering our M&A pipeline with strengthened and dedicated team, led by Rob Grubb.

## Current trading and outlook

- Combination of recurring revenue and orderbook, in resilient Public Sector Software markets, provides good revenue visibility for the remainder of FY22.
- EIM expected to deliver improved H2 FY22 performance.
- The business continues to perform well and in line with the Board's expectations.

### David Meaden, Chief Executive Officer of Idox said:

"We continue to make good progress advancing our strategy to focus on software. Our software solutions deliver value to our customers through managing their complex operational, legislative, and regulatory issues, whilst enabling us to maintain long term relationships with them.

Operationally, the business continues to perform strongly within our 'Four Pillars' framework. I am particularly pleased with the progress from the investment we have made in the business; in our people development, notably our culture of engagement and leadership, organisational design incorporating our offshore capabilities, improved management information and automation programmes. All of this has helped deliver an improved quality of revenue, with strong margins and underlying cash generation.

Further investments in our M&A team, led by Rob Grubb our former CFO, has created greater focus and opportunity for further expansion through acquisitions.

The outlook for the business is promising as we continue to improve our operational capabilities and build momentum in our chosen markets. We are now firmly focussed on our 'fly phase' which we believe will drive value for our key stakeholders."

### *Alternative Performance Measures*

These items are excluded from statutory measures of profit to present a measure of cash earnings from underlying activities on an ongoing basis. This is in line with management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our debt and equity providers.

<sup>1</sup> Recurring revenue is defined as revenues recognised from support and maintenance fees, managed service fees (including for hosting) and Software-as-a-Service subscription fees.

<sup>2</sup> Adjusted EBITDA is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs. Share option costs are excluded from Adjusted EBITDA as this is a standard measure in the industry and how management and our shareholders track performance (see note 11 for reconciliation).

<sup>3</sup> Adjusted EPS excludes amortisation on acquired intangibles, restructuring, financing, impairment, share option and acquisition costs (see note 11 for reconciliation).

<sup>4</sup> Net (debt) / cash is defined as the aggregation of cash, bank borrowings and the long-term bond.

**There will be a webcast at 9:00am UK time today for analysts and investors. To register for the webcast please contact MHP Communications at [idox@mhpc.com](mailto:idox@mhpc.com)**

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**About Idox plc**

For more information see [www.idoxgroup.com](http://www.idoxgroup.com) [@Idoxgroup](#)

## Chair's statement

### For the six months ended 30 April 2022

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#### **Introduction**

I am pleased to report that the first half of this financial year has once again seen a robust performance from the Group. During a period in which the economic environment has become more difficult due to the war in Ukraine, the lingering effects of the Covid-19 pandemic and the resulting pressure on costs and talent, it is pleasing to see the business continue to progress so well and continue to build momentum.

Following a period of corporate activity in the second half of FY21, which saw the business become increasingly focussed on its software operations, we are pleased to report continuing Group revenues up 7% on the same period last year and a growth of 8% at EBITDA. This robust performance also translated into a strong cash performance, with cash generated from continuing operations, before tax, being £13.4m, representing a conversion rate of 122% against an EBITDA for the period of £11.0m.

Once again net debt was considerably reduced, on this occasion by 54% in the period. The Group is well placed to continue to execute on our growth strategy supported by selective strategic acquisitions, with £7.1m of available cash supplemented by our £35m revolving credit facility and £10m accordion.

We are confident in the momentum being built in the business and this is supported by an increase in order intake over the period of 15%, with a strong pipeline underpinning our confidence in the medium term.

The markets in which we operate have been the subject of much recent discussion, particularly around Planning and the ongoing trend in Local Government for consolidation into larger authorities. Whilst many of the well trailed Planning Reform activities have not transpired to date, the continued push for improvements in citizen engagement and the better use of data in property and infrastructure development strategies are encouraging. These trends, along with the continuing need for simplicity and cost savings using advanced technology solutions lead us to believe there will continue to be good opportunities for the business over the longer term. During the period we have also seen some good contract wins in the EIM business, which will be realised in the second half of the year.

We have spoken of our strategy to supplement our existing market offerings with further targeted acquisitions, and I am pleased that the three acquisitions we made last year have integrated so well with the business. We have more to come from enhancing our combined offerings for clients, but we have made strong progress to date. Since the acquisition of Idox Cloud in 2019, we have generated revenue derived from the areas related to our regulated offerings of over £7.5m and this bodes well for the companies we were able to add to the Group last year.

We have increased our focus on further acquisitions and continue to look for accretive, synergistic opportunities that support the long-term focus on software and which complement the existing portfolio. We are confident that there are a range of opportunities that fit the key criteria we have defined, and we look forward to adding further assets in due course.

During the reporting period we have undertaken work to report our progress in matters relating to ESG and enhanced our reporting on matters relating to diversity, equality and inclusivity. In each of these areas our reporting is now illustrative of the attention the management team place upon these matters and the culture within the business that seeks to ensure that all stakeholders, foremost amongst these our employees, can be proud of Idox work in this area. The Chief Executive's statement includes further information on our ESG related activities.

#### **Dividend**

As previously announced, the Group paid a dividend of 0.4p per share in April 2022 in respect of the year ending 31 October 2021. Our current policy is to only declare a final dividend and therefore there is no interim dividend in respect of H1 FY22 (H1 FY21: £Nil). We will keep the level of future dividends under review in consideration of our financial position and our confidence in the future.

#### **Board**

During the reporting period, Rob Grubb resigned his Board position as Chief Financial Officer and took up a role as M&A Director for the Group reporting to the CEO, David Meaden. He was succeeded by Anoop Kang who was appointed to the Board as CFO on 16 March 2022, having previously held a number of senior finance roles, including CFO, in a range of well-known companies.

## Chair's statement (continued)

For the six months ended 30 April 2022

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### **Summary**

The Group has made credible progress with its strategy during the period, building on the transformation achieved previously. Idox is now a pure software Group and is well positioned to progress further with the financial resources at its disposal. The business continues to perform well and in line with the Board's expectations.

### **Christopher Stone**

Chair of the Board

14 June 2022

## Chief Executive's statement

For the six months ended 30 April 2022

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### **Building momentum**

Our four pillars of Revenue expansion, Margin enhancement, Simplification and Communication continue to be the platform on which we build and operate the business. I am pleased to report on another period of strong performance as we continued to focus on software businesses that deliver value to customers, and which allow Idox to maintain long term relationships through our proven ability to manage complex operational, legislative, and regulatory issues.

The three acquisitions made in the second half of FY21 (Aligned Assets, thinkWhere & exeGesIS) strengthen our position in the area of Planning Technology and further expanded our capabilities in Address Management and particularly in Geo-Spatial solutions and services. These acquisitions are now fully integrated within our sales and operational delivery teams, and we are already seeing benefits from our combined propositions as well as opportunities to develop further into near adjacent markets.

We are in a strong financial position to add further customers, technology, and recurring income through carefully selected M&A, further extending Idox's position in markets where it is noted for its expertise and insight.

### **Strong progress**

During this reporting period we have seen growth in Group revenues for our continuing operations of 7%, with accompanying adjusted EBITDA improving by 8% from £10.1m to £11.0m. Following strong cash generation, we have moved from a net debt position at 31 October 2021 of £8.1m to a net debt position of £3.8m.

As our focus has now shifted into our 'fly phase', and given our strong operational cadence and financial position, we are well placed for growth in our software operations and have established a solid position from which to add compatible bolt on acquisitions to our portfolio of offerings.

### **The 'Four Pillars' programme**

#### *Revenue expansion*

The Chair of the Board referenced the unsettling economic conditions caused by the war in Ukraine and the lingering effects of the pandemic. During the period we demonstrated high resilience as a business and our core areas performed well. Our strong market positions have allowed us to continue to sell more to existing clients as we meet their needs, as well as adding new client accounts. Performance overall has been bolstered by the transformational activities we have undertaken that have led to better sales execution and improved integration across the Group, which in turn have delivered consistent margins and improved bottom-line performance.

Order intake across the Group for the six months ended 30 April 2022 continued to grow, helping to support the in-year revenue growth and build the future orderbook. In the period we secured c.£40m of total contract value, increasing by 15% over the same period last year.

Sales order intake in local government continued to rise, up 13% on the same period; new wins in H1 FY21 included Rother & Wealden District Council, Dartmoor National Park Authority and Belfast City Council, choosing to implement the Idox Cloud Solution. The Idox Cloud business continued to enjoy good growth in H1 FY22 as planned, with revenues up 7%, whilst its recurring revenue was up 11% on the same period last year.

In Elections, we saw a very busy first half of the year. A combination of UK local elections, an election in Malta and the completion of a number of project deliverables for the Scottish eCount contract resulted in revenues up 17% when compared to the same period in FY21.

Health revenues also increased 9% on the comparable period with consistent recurring revenue and new sales from our sexual health products. Sales orders were also up in the period, although we still believe customers have continued to focus their efforts on managing the after effects of the Covid-19 pandemic.

## Chief Executive's statement (continued)

For the six months ended 30 April 2022

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In the Grants subscription business incorporating GrantFinder & ResearchConnect, our new product UI (launched last year) has been welcomed by the market. Revenues were up in the period 6% and sales order intake was also up over 10% in the period. We also continued support for Charities and organisations with incomes of less than £30,000 through the "My Funding Central" solution, providing free access to grants and funding information to over 3,000 subscribers following the withdrawal of these services by the National Council Voluntary Organisation.

New business sales in EIM were supported by significant new FusionLive sales including Lummus Technologies and Transalta, supporting growth in the markets of Renewables and Construction. Revenues were down in EIM as the business was affected by uncertainty in some of its markets largely due to the impact of the global economy and the war in Ukraine.

### *Margin enhancement*

During the period we have substantially grown our operations in India, expanding our operational footprint to include the areas of HR, Finance and Professional Services as well as broadening our Development Services there. We see scope for further expansion throughout the rest of this year and beyond.

Development teams have been successfully restructured, our technology footprints have been consolidated where possible and we have improved resource sharing across our teams. Cost savings and efficiencies driven through data centre consolidation and greater sharing of skills and capabilities across the software and professional services teams continued to take effect.

Overall, these changes and investments are expected to enhance our long-term margins.

### *Simplification*

Stratification of the sales teams has provided a greater focus on communication, renewals and the customer experience and continues to positively impact customer attrition and the length of contracts.

Continued investment in our internal processes, systems, and the integration of data across sales, customer services, professional services and finance ensures that we have consistent customer information, improving all aspects of our operational performance.

Professional Services utilisation continues to improve, and significant work has been delivered to improve and simplify the process of data migration between Idox solutions, thus making the transition of on-premise legacy platforms to our latest cloud provisioned services shorter and more cost effective for customers.

### *Communication*

Regular and open communication with all colleagues across the business is a strategic focus for the Group and is delivered through a number of channels.

We continue to provide regular updates through our CEO broadcasts where various members of the management team participate to provide a broad range of insights and inputs to the sessions, including an open Q&A provision for all colleagues to participate. Our colleagues across the business are highly engaged and participation levels demonstrate this.

Personally, conducting final conversations with prospective new team members enables me to outline how we operate and work at Idox, what they can expect from us and we in turn expect from them. This ensures that we have a well communicated and understood culture and our ambitions for the business and the opportunity for individuals to have meaningful careers in a unique company can be fully aligned from the outset.

### **Responsible Idox**

Conducting business responsibly is core to Idox's business model and long-term strategic goals. The Board recognises the importance of our environmental and societal responsibilities in defining and growing the value of our services and solutions and in building lasting commercial relationships across the industries and communities in which we operate. Our commitment is focused in four areas: our people, our communities, our environment, and our organisational responsibilities. Each of these focus areas addresses relevant United Nations Sustainable Development Goals.

## Chief Executive's statement (continued)

For the six months ended 30 April 2022

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In FY21 we formed an ESG steering committee, with the core responsibility of understanding and monitoring how our business practices are sustainable in environmental and social terms, as well as ensuring Idox is well governed. This committee has sponsored further initiatives during the first half of FY22 with particular focus on Diversity, Equality and Inclusivity, most notably with the 'Dare to be Different' survey which was completed during the period. Response rate from employees was extremely high, demonstrating the levels of commitment our team have in celebrating our successes whilst also identifying further opportunities for improvement. Our most recent initiative is the introduction of 'Employee Lounges' – small virtual meetings to discuss how these improvements should be made in the most effective way.

Idox recognises the importance of environmental protection and is committed to operating its business responsibly by operating an Environmental Management System accredited to BS EN ISO 14001:2015, participating in the Energy Saving Opportunities Scheme ('ESOS'), and meeting the requirements of the Streamlined Energy and Carbon Reporting ('SECR') regulations. FY21 saw the introduction of enhanced reporting of our Scope 1, 2 and 3 emissions disclosures within the Task Force on Climate-related Financial Disclosures ('TCFD') framework and in the first half of FY22 we have continued to drive initiatives such as moving towards electric vehicles for our service operations and maintaining disciplines on avoiding unnecessary travel as Covid restrictions have been removed.

Employees continue to use our community days scheme to support good causes in their local communities and the payroll giving scheme to maximise the impact of their contributions. The workplace wellbeing sessions also continue to be very well attended and appreciated by members of the Idox Team.

### **Outlook**

We continue to build momentum with a sharp focus on growing revenues within an optimised operational structure; this will support good margin performance as we progress through our 'fly phase' which we believe will drive value for all our stakeholders.

We are making good progress and our strategy remains unchanged. We are clear in our view that software provided in the cloud and / or provisioned through our data centre services across each of our business areas is a strategic necessity to service the market needs whilst, in turn, growing our recurring revenue and we continue to invest across the business to facilitate this.

Our good cash generation provides a solid foundation from which to invest in organic growth whilst initiating complimentary growth through the acquisition of strategic targets that add to our portfolio of offerings. Overall, our current full year financial performance is expected to be in line with Board expectations reflecting our strong order book and consistent operational execution.

### **David Meaden**

Chief Executive Officer

14 June 2022



## Chief Financial Officer's review

### For the six months ended 30 April 2022

#### Financial review

The first six months of 2022 have built upon the changes implemented in FY21. We have successfully integrated Aligned Assets and thinkWhere into the Group, with exeGesIS substantially progressed and planned to complete in the second half of the year. The acquisitions have proven to be earnings enhancing as anticipated, contributing towards our 7% increase in continuing revenue to £33.2m (H1 FY21: £31.1m) and our 8% increase in adjusted EBITDA to £11.0m (H1 FY21: £10.1m).

The Idox Content business was classified as discontinued following its disposal in FY21.

The following table sets out the Revenue and Adjusted EBITDA for each of the Group's segments.

	<b>H1 FY22</b>	<b>H1 FY21</b>	<b>Variance</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
<b>Revenue</b>				
- Public Sector Software	29,652	26,982	2,670	10%
- Engineering Information Management	3,554	4,148	(594)	(14%)
Idox Software	33,206	31,130	2,076	7%
Idox Content (discontinued)	-	3,897	(3,897)	N/A
Total	33,206	35,027	(1,821)	(5%)
<b>Revenue Split</b>				
- Public Sector Software	89%	77%		
- Engineering Information Management	11%	12%		
- Idox Software	100%	89%		
- Idox Content (discontinued)	-	11%		
<b>Adjusted EBITDA<sup>1</sup></b>				
- Public Sector Software	10,679	9,420	1,259	13%
- Engineering Information Management	311	719	(408)	(57%)
Idox Software	10,990	10,139	851	8%
Idox Content (discontinued)	-	276	(276)	N/A
Total	10,990	10,415	575	6%
<b>Adjusted EBITDA Margin Split</b>				
- Public Sector Software	36%	35%		
- Engineering Information Management	9%	17%		
- Idox Software	33%	33%		
- Idox Content (discontinued)	-	7%		
- Total	33%	30%		

<sup>1</sup> Adjusted EBITDA is defined as earnings before amortisation, depreciation, restructuring, acquisition costs, impairment, financing costs and share option costs. See note 11 for reconciliations of the alternative performance measures.

## Chief Financial Officer's review (continued)

For the six months ended 30 April 2022

### Public Sector Software ('PSS') and Engineering Information Management ('EIM')

PSS delivered revenues of £29.7m, an improvement of 10% on the prior year, while the revenues in EIM have decreased to £3.6m in the period. Within PSS, the acquisitions made in FY21, contributed £3.2m of revenue. On a 'like for like' basis the Group delivered £30.0m of revenue, slightly down on the prior period.

	H1 FY22 £000	H1 FY21 £000	Variance	
			£000	%
<b>Idox Software Revenues</b>				
- Recurring (PSS)	16,866	14,508	2,358	16%
- Recurring (EIM)	2,964	3,117	(153)	(5%)
	19,830	17,625	2,205	13%
- Non-Recurring (PSS)	12,786	12,474	312	3%
- Non-Recurring (EIM)	590	1,031	(441)	(43%)
	13,376	13,505	(129)	(1%)
	33,206	31,130	2,076	7%
- Recurring <sup>1</sup>	60%	57%		
- Non-Recurring <sup>2</sup>	40%	43%		

<sup>1</sup> Recurring revenue is defined as revenues associated with access to a specific ongoing service, with invoicing that typically recurs on an annual basis and underpinned by either a multi-year or rolling contract. These services include Support & Maintenance, SaaS fees, Hosting services, and some Managed service arrangements which involve a fixed fee irrespective of consumption.

<sup>2</sup> Non-recurring revenue is defined as revenues without any formal commitment from the customer to recur on an annual basis.

Total recurring revenue increased by 13% in the period to £19.8m and now accounts for 60% of the Group's total revenue (H1 FY21: 57%). Recurring revenues in PSS have increased 16% to £16.9m and have been positively impacted by the acquisitions in the second half of FY21. In EIM recurring revenues have decreased by 5% to £3.0m, impacted by certain contracts which ended in FY21 and were not renewed and a continuation of uncertain market conditions.

Non-recurring revenues have remained stable at £13.4m for the period and account for 40% of the Group's revenue. A reduction of £0.4m in EIM has been offset by improvements in PSS, particularly in the Elections part of the business.

The Group's order intake for the period was up 15% on last year to c.£40m. Furthermore, the average tenure of new contracts has increased from 20 months to 22 months, as the Group focuses on transitioning existing customer relationships to longer term arrangements, this includes contract wins in both PSS and EIM. The orderbook for professional services ended the period at £8.9m, down from £9.8m at 31 October 2021 and as a result of the planned unwind of Elections contracts.

Adjusted EBITDA increased by 8% to £11.0m (H1 FY21: £10.1m), delivering a stable EBITDA margin of 33% (H1 FY21: 33%). The improvement in adjusted EBITDA benefitted from the FY21 acquisitions but was partially offset by reduced revenues in EIM and the phasing of certain contracts in PSS to the second half of the year.

We continue with our efforts to improve efficiencies through marginal gains across our sales, development, professional services and support activities, and leverage our common resources to drive higher margins through improved economies of scale.

## Chief Financial Officer's review (continued)

For the six months ended 30 April 2022

### Profit / (Loss) Before Taxation

The following table provides a reconciliation between adjusted EBITDA and statutory profit before taxation for continuing operations.

	H1 FY22 £000	H1 FY21 £000	Variance	
			£000	%
Adjusted EBITDA	10,990	10,139	851	8%
Depreciation & Amortisation	(5,328)	(5,043)	(285)	6%
Restructuring costs	(119)	(160)	41	(26%)
Acquisition costs	(11)	(6)	(5)	83%
Financing costs	(30)	(29)	(1)	3%
Share option costs	(1,249)	(784)	(465)	59%
Net finance costs	(651)	(462)	(189)	41%
Profit before taxation	3,602	3,655	(53)	(1%)

The reported profit before tax for continuing operations was £3,602,000 (H1 FY21: £3,655,000).

Restructuring costs are analysed as follows:

	H1 FY22 £000	H1 FY21 £000	Variance	
			£000	%
Corporate restructuring	109	-	109	100%
Litigation	-	(11)	11	100%
Property	10	-	10	100%
Take over approach	-	171	(171)	(100%)
Total restructuring costs	119	160	(41)	(26%)

Acquisition costs of £11,000 (H1 FY21: £6,000) relates to the final settlements in relation to the acquisition of Aligned Assets, thinkWhere and exeGesIS in FY21. The prior year comparative is in relation to Idox Cloud (formerly Tascomi) in August 2019.

Financing costs of £30,000 (H1 FY21: £29,000) relate to professional fees incurred as part of the ongoing bank facility agreement.

Share option costs of £1.2m (H1 FY21: £0.8m) relate to the accounting charge for awards in the current and prior years under the Group's Long-term Incentive Plan.

Net finance costs have increased to £0.7m (H1 FY21: £0.5m) as a result of the foreign exchange gain on the revaluation of the euro denominated bond being lower than in the comparative period and less interest being payable in respect of the Group's banking facilities.

The Group capitalised £3.1m of development costs during the period (H1 FY21: £2.2m). £0.7m related to the FY21 acquisitions and £2.4m in respect of the Group's legacy products. The Group has a number of products which are all at differing stages of their lifecycle. These platforms require continued investment to remain operational and current. For example, enhancements include technical refreshes, functional changes and investment needed to ensure continued operability.

### Taxation

The effective tax rate (ETR) for the period was 17% (H1 FY21: 8%) for total operations. The ETR for the period for continuing operations was 15% (H1 FY21: 18%). On an adjusted basis the Group's ETR was 20% (H1 FY21: 20%).

The main factors for the reduction in the volatility in the ETR on the profit before tax position was the disposals in FY21 which resulted in income not subject to tax, meaning permanent and other differences giving rise to ETR effects were proportionately lower in the current period. The difference between the statutory rate of 19% and the adjusted ETR of 20% is due to certain disallowables, the impact of overseas tax rates and international losses arising in the period and not recognised.

## Chief Financial Officer's review (continued)

### For the six months ended 30 April 2022

There are substantial carried-forward losses not recognised for deferred tax purposes to date, owing to adoption of a prudent loss recognition position. The gross value of these losses not recognised to date totals £12m, split across Malta (£9.1m), the UK (£0.6m), and France (£2.3m). The Board is hopeful that the Group will benefit from the unrecognised tax losses in the UK and France in the future and these will be recognised at the point where utilisation becomes more certain.

#### Earnings per share and dividends

Basic earnings per share for continuing operations improved 3% to 0.70p (H1 FY21: 0.68p) as a result of the Group reporting a larger profit after tax compared to that in H1 FY21. Diluted earnings per share for continuing operations improved 1% to 0.68p (H1 FY21: 0.67p).

Adjusted basic earnings per share for continuing operations increased 7% to 1.24p (H1 FY21: 1.16p). Adjusted diluted earnings per share for continuing operations increased 7% to 1.21p (H1 FY21: 1.13p).

In line with FY21 the Board does not propose an interim dividend in respect of the six months ended 30 April 2022. We will keep the level of future dividends under review in consideration of our financial position and our confidence in the future.

#### Balance sheet and cashflow

The Group's net assets have increased to £63.1m compared to £60.8m at 31 October 2021. The constituent movements are detailed in the Group's consolidated Statement of Changes in Equity: which are summarised as follows:

	<b>6 months to 30 April 2022 £000</b>
Total Equity as per FY21 Financial Report	60,810
Share option movements	1,221
Equity dividends paid	(1,784)
Profit for the period	2,508
Exchange gains on translation of foreign operations	310
Total Equity as per H1 FY22 Financial Report	<u>63,065</u>

The Group continued to have good cash generation in the period. Cash generated from operating activities before taxation as a percentage of Adjusted EBITDA for total operations was 122% (H1 FY21: 169%). The reduction in the conversion rate is primarily due to the settlement of VAT deferrals and exceptional cash costs in H1 FY22 and the timing of certain other creditor payments falling into the second half of FY21.

	<b>H1 FY22 £000</b>	<b>H1 FY21 £000</b>
Net cashflow from operating activities after taxation	11,127	17,775
Capex	(3,588)	(3,097)
Lease payments	(509)	(678)
Free cashflow	<u>7,030</u>	<u>14,000</u>

The Group ended the period with net debt of £3.8m (H1 FY21: net cash of £7.6m), representing a 54% reduction from the net debt position of £8.1m at 31 October 2021. The net cash position in the prior year reflected the net cash inflow of £10.7m from the disposal of our Content business, which was subsequently reinvested in the acquisitions in the second half of the year. Net debt comprised cash of £21.6m less bank borrowings of £14.5m and the Maltese listed bond of £10.9m.

In October 2021 the Group extended its revolving credit facility of £35m and £10m accordion with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc for an additional 18 months, to June 2024. The Group also transitioned from LIBOR to SONIA at this point.

## Chief Financial Officer's review (continued)

For the six months ended 30 April 2022

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The Group has carefully assessed the ongoing impact of the Covid-19 pandemic on the business and on our customers. Idox is fundamentally resilient due to the Group's high recurring revenue base, its focus on public sector markets and the high proportion of staff that routinely work from home. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

**Anoop Kang**  
Chief Financial Officer  
14 June 2022

# Consolidated interim statement of comprehensive income

For the six months ended 30 April 2022

	Note	6 months to 30 April 2022 (unaudited) £000	6 months to 30 April 2021* (unaudited) £000	12 months to 31 October 2021 (audited) £000
<b>Continuing operations</b>				
<b>Revenue</b>	3	33,206	31,130	62,185
Cost of sales		(8,389)	(8,467)	(17,130)
<b>Gross profit</b>		<b>24,817</b>	<b>22,663</b>	<b>45,055</b>
Administrative expenses		(20,564)	(18,546)	(37,415)
<b>Operating profit</b>		<b>4,253</b>	<b>4,117</b>	<b>7,640</b>
<i>Analysed as:</i>				
<b>Adjusted EBITDA</b>	11	<b>10,990</b>	<b>10,139</b>	<b>19,519</b>
Depreciation & Amortisation		(5,328)	(5,043)	(10,204)
Restructuring costs		(119)	(160)	90
Acquisition costs		(11)	(6)	134
Financing costs		(30)	(29)	(110)
Share option costs		(1,249)	(784)	(1,789)
Finance income		219	801	818
Finance costs		(870)	(1,263)	(1,190)
<b>Profit before taxation</b>		<b>3,602</b>	<b>3,655</b>	<b>7,268</b>
Income tax charge	5	(527)	(650)	(1,237)
<b>Profit for the period from continuing operations</b>		<b>3,075</b>	<b>3,005</b>	<b>6,031</b>
<b>Discontinued operations</b>				
(Loss) / profit for the year from discontinued operations	6	(567)	4,284	5,918
<b>Profit for the period attributable to the owners of the parent</b>		<b>2,508</b>	<b>7,289</b>	<b>11,949</b>
<b>Other comprehensive income / (loss) for the period</b>				
Items that will be reclassified subsequently to profit or loss:				
Exchange movement on translation of foreign operations net of tax		310	401	(108)
<b>Other comprehensive income / (loss) for the period, net of tax</b>		<b>310</b>	<b>401</b>	<b>(108)</b>
<b>Total comprehensive income for the period attributable to owners of the parent</b>		<b>2,818</b>	<b>7,690</b>	<b>11,841</b>
<b>Earnings per share attributable to owners of the parent during the period</b>				
From continuing operations				
Basic	7	0.70p	0.68p	1.37p
Diluted	7	0.68p	0.67p	1.34p
From continuing and discontinued operations				
Basic	7	0.57p	1.66p	2.71p
Diluted	7	0.56p	1.62p	2.65p

\*The comparatives have been re-presented for a more appropriate reallocation between cost of sales and administrative expenses as result of the Content business being reclassified as discontinued operations in the prior period. There has been no change to the overall results.

The accompanying notes form an integral part of these financial statements.

## Consolidated interim balance sheet

As at 30 April 2022

	Note	At 30 April 2022 (unaudited) £000	At 30 April 2021 (unaudited) £000	At 31 October 2021 (audited) £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		1,341	1,179	1,307
Intangible assets	8	91,530	71,386	92,025
Right-of-use-assets		2,000	2,066	2,363
Deferred tax assets		2,133	1,450	2,623
<b>Total non-current assets</b>		<u>97,004</u>	<u>76,081</u>	<u>98,318</u>
<b>Current assets</b>				
Trade and other receivables		20,966	20,088	16,968
Current tax receivable		725	-	-
Cash and cash equivalents		21,560	29,159	18,283
<b>Total current assets</b>		<u>43,251</u>	<u>49,247</u>	<u>35,251</u>
<b>Total assets</b>		<u>140,255</u>	<u>125,328</u>	<u>133,569</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		8,404	7,372	8,075
Deferred consideration		2,691	-	2,070
Current tax payable		-	126	1,399
Other liabilities		30,928	33,388	23,547
Provisions		853	1,967	1,433
Lease liabilities		563	701	727
<b>Total current liabilities</b>		<u>43,439</u>	<u>43,554</u>	<u>37,251</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities		6,256	3,445	5,579
Deferred consideration		-	-	841
Lease liabilities		1,454	1,485	1,747
Other liabilities		727	934	949
Bonds in issue		10,848	11,364	10,998
Borrowings		14,466	10,207	15,394
<b>Total non-current liabilities</b>		<u>33,751</u>	<u>27,435</u>	<u>35,508</u>
<b>Total liabilities</b>		<u>77,190</u>	<u>70,989</u>	<u>72,759</u>
<b>Net assets</b>		<u>63,065</u>	<u>54,339</u>	<u>60,810</u>
<b>Equity</b>				
Called up share capital		4,511	4,463	4,469
Capital redemption reserve		1,112	1,112	1,112
Share premium account		41,556	41,466	41,556
Treasury reserve		(594)	(594)	(594)
Share option reserve		3,673	3,068	3,962
Other reserves		8,789	7,528	8,789
ESOP trust		(445)	(379)	(417)
Foreign currency translation reserve		121	320	(189)
Retained earnings / (accumulated losses)		4,342	(2,645)	2,122
<b>Equity attributable to the owners of the parent</b>		<u>63,065</u>	<u>54,339</u>	<u>60,810</u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 June 2022 and are signed on its behalf by:

**David Meaden**  
Chief Executive Officer

**Anoop Kang**  
Chief Financial Officer

The accompanying notes form an integral part of these financial statements.

# Consolidated interim statement of changes in equity

As at 30 April 2022

	Called up share capital £000	Capital redemption reserve £000	Share premium account £000	Treasury reserve £000	Share options reserve £000	Other reserves £000	ESOP trust £000	Foreign currency translation reserve £000	Retained earnings / (accumulated losses) £000	Total £000
<b>Balance at 1 November 2020 (audited)</b>	<b>4,450</b>	<b>1,112</b>	<b>41,356</b>	<b>(621)</b>	<b>2,618</b>	<b>7,528</b>	<b>(373)</b>	<b>(161)</b>	<b>(8,951)</b>	<b>46,958</b>
Issue of share capital	13	-	110	-	-	-	-	-	-	123
Share option charge	-	-	-	-	893	-	-	-	-	893
Exercise / lapses of share options	-	-	-	27	(443)	-	-	-	428	12
ESOP trust	-	-	-	-	-	-	(6)	-	-	(6)
Equity dividends paid	-	-	-	-	-	-	-	-	(1,331)	(1,331)
<b>Transactions with owners and non-controlling interests</b>	<b>13</b>	<b>-</b>	<b>110</b>	<b>27</b>	<b>450</b>	<b>-</b>	<b>(6)</b>	<b>-</b>	<b>(903)</b>	<b>(309)</b>
Profit for the period	-	-	-	-	-	-	-	-	7,289	7,289
<b>Other comprehensive income</b>										
Recycled exchange movements on disposal of subsidiaries	-	-	-	-	-	-	-	80	(80)	-
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	401	-	401
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481</b>	<b>7,209</b>	<b>7,690</b>
<b>At 30 April 2021 (unaudited)</b>	<b>4,463</b>	<b>1,112</b>	<b>41,466</b>	<b>(594)</b>	<b>3,068</b>	<b>7,528</b>	<b>(379)</b>	<b>320</b>	<b>(2,645)</b>	<b>54,339</b>
Issue of share capital	6	-	90	-	-	-	-	-	-	96
Share options charge	-	-	-	-	1,001	-	-	-	-	1,001
Exercise / lapses of share options	-	-	-	-	(107)	-	-	-	107	-
ESOP trust	-	-	-	-	-	-	(38)	-	-	(38)
Fair value of deferred consideration shares on purchase of subsidiary	-	-	-	-	-	1,261	-	-	-	1,261
<b>Transactions with owners</b>	<b>6</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>894</b>	<b>1,261</b>	<b>(38)</b>	<b>-</b>	<b>107</b>	<b>2,320</b>
Profit for the period	-	-	-	-	-	-	-	-	4,660	4,660
<b>Other comprehensive income</b>										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	(509)	-	(509)
<b>Total comprehensive profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(509)</b>	<b>4,660</b>	<b>4,151</b>
<b>Balance at 31 October 2021 (audited)</b>	<b>4,469</b>	<b>1,112</b>	<b>41,556</b>	<b>(594)</b>	<b>3,962</b>	<b>8,789</b>	<b>(417)</b>	<b>(189)</b>	<b>2,122</b>	<b>60,810</b>
Issue of share capital	42	-	-	-	-	-	-	-	-	42
Share option charge	-	-	-	-	1,207	-	-	-	-	1,207
Exercise / lapses of share options	-	-	-	-	(1,496)	-	-	-	1,496	-
ESOP trust	-	-	-	-	-	-	(28)	-	-	(28)
Equity dividends paid	-	-	-	-	-	-	-	-	(1,784)	(1,784)
<b>Transactions with owners</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(289)</b>	<b>-</b>	<b>(28)</b>	<b>-</b>	<b>(288)</b>	<b>(563)</b>
Profit for the period	-	-	-	-	-	-	-	-	2,508	2,508
<b>Other comprehensive loss</b>										
Exchange movement on translation of foreign operations	-	-	-	-	-	-	-	310	-	310
<b>Total comprehensive profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>2,508</b>	<b>2,818</b>
<b>At 30 April 2022 (unaudited)</b>	<b>4,511</b>	<b>1,112</b>	<b>41,556</b>	<b>(594)</b>	<b>3,673</b>	<b>8,789</b>	<b>(445)</b>	<b>121</b>	<b>4,342</b>	<b>63,065</b>

The accompanying notes form an integral part of these financial statements.



## Consolidated interim cash flow statement

For the six months ended 30 April 2022

	Note	6 months to 30 April 2022 (unaudited) £000	6 months to 30 April 2021 (unaudited) £000	12 months to 31 October 2021 (audited) £000
<b>Cash flows from operating activities</b>				
Profit for the period before taxation		3,035	7,935	13,186
Adjustments for:				
Depreciation of property, plant and equipment		371	467	801
Depreciation of right-of-use assets		363	610	1,021
Amortisation of intangible assets		4,594	4,420	8,835
Loss / (gain) on disposal of subsidiary	6	567	(4,592)	(6,679)
Finance income		(199)	(801)	(800)
Finance costs		810	1,205	1,060
Debt issue costs amortisation		60	73	144
Research and development tax credit		(161)	(100)	(267)
Share option costs		1,249	903	1,908
Movement in receivables		(4,428)	(2,879)	3,086
Movement in payables		7,177	10,386	(5,947)
<b>Cash generated by operations</b>		<b>13,438</b>	<b>17,627</b>	<b>16,348</b>
(Tax paid) / tax refunded		(2,311)	148	206
<b>Net cash from operating activities</b>		<b>11,127</b>	<b>17,775</b>	<b>16,554</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries		(651)	-	(10,530)
Disposal of subsidiaries		(148)	10,730	10,669
Gain on sale of property, plant and equipment		11	-	-
Purchase of property, plant and equipment		(404)	(790)	(1,110)
Purchase of intangible assets		(3,184)	(2,307)	(4,637)
Finance income		37	19	66
<b>Net cash from / (used in) investing activities</b>		<b>(4,339)</b>	<b>7,652</b>	<b>(5,542)</b>
<b>Cash flows from financing activities</b>				
Interest paid		(227)	(363)	(967)
New loans		2,500	5,000	15,600
Loan related costs		(76)	-	(292)
Loan repayments		(3,600)	(30,000)	(35,000)
Principal lease payments		(509)	(678)	(1,154)
Equity dividends paid		(1,784)	(1,331)	(1,331)
(Purchase) / issue of own shares		(51)	69	64
<b>Net cash outflows from financing activities</b>		<b>(3,747)</b>	<b>(27,303)</b>	<b>(23,080)</b>
<b>Net movement in cash and cash equivalents</b>		<b>3,041</b>	<b>(1,876)</b>	<b>(12,068)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>18,283</b>	<b>30,812</b>	<b>30,812</b>
Exchange gains / (losses) on cash and cash equivalents		236	223	(461)
<b>Cash and cash equivalents at the end of the period</b>		<b>21,560</b>	<b>29,159</b>	<b>18,283</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

#### **1 General information**

Idox plc is a leading supplier of software and services for the management of Local Government and other organisations. The Company is a public limited company, limited by shares, which is listed on the AIM Market of the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is 2nd Floor, 1310 Waterside, Arlington Business Park, Theale, Reading, RG7 4SA. The registered number of the Company is 03984070. There is no ultimate controlling party.

The financial statements are prepared in pounds sterling.

#### **2 Basis of preparation**

The financial information for the period ended 30 April 2022 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 October 2021 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified.

The interim financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 31 October 2022. The Group financial statements for the year ended 31 October 2021 were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. They were also prepared in accordance with International Financial Reporting Standards as issued by the IASB. These interim financial statements have been prepared on a consistent basis and format. The Group has not applied IAS 34 'Interim Financial Reporting', which is not mandatory for AIM companies, in the preparation of these interim financial statements.

#### **Going concern**

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered the Group's budget, cash flow forecasts, available banking facility with appropriate headroom in facilities and financial covenants, and levels of recurring revenue.

In December 2019 the Group had refinanced with the Royal Bank of Scotland plc, Silicon Valley Bank and Santander UK plc. The facilities, which comprise a revolving credit facility of £35,000,000, were extended in October 2021 and are committed until June 2024.

Idox along with most companies has been impacted by the Covid-19 pandemic, however the impact on our Group has in the main been limited to the initial disruption of the early stages of the emerging challenges in 2020, including restrictions on physical movement. We have largely seen our operations return to their pre-Covid 19 pandemic levels across our Group.

We remain cautious in respect of the ongoing impact of the Covid-19 pandemic and associated restrictions but are confident we are fundamentally resilient due to the Group's high recurring revenue base, its focus on public sector markets and the high proportion of staff that routinely work from home. The Group retains significant liquidity with cash and available committed bank facilities and has strong headroom against financial covenants.

On the basis of the above considerations, the Directors have a reasonable expectation that the Group will have adequate resources to continue in business for the foreseeable future and therefore continue to adopt the going concern basis in preparing the interim financial statements.

## Notes to the interim accounts (continued)

### For the six months ended 30 April 2022

#### 3 Segmental analysis

During the period ended 30 April 2022, the Group was organised into two operating segments which are detailed below.

Financial information is reported to the chief operating decision maker, which comprises the Chief Executive Officer and the Chief Financial Officer, monthly with revenue and operating profits split by business unit. Each business unit is deemed an operating segment as each offers different products and services.

- Idox Software: Public Sector Software (PSS) – delivering specialist information management solutions and services to the public sector.
- Idox Software: Engineering Information Management (EIM) – delivering engineering document management and control solutions to asset intensive industry sectors.

During the six months ended 30 April 2021 the Group disposed of its Continental Compliance operations and its Netherlands Grants Consultancy operations, which together comprised the Idox Content segment. As Idox Content was a separately identifiable division the results for the period ended 30 April 2022 and comparative period have been classified as a discontinued operation.

Segment revenue comprises sales to external customers and excludes gains arising on the disposal of assets and finance income. Segment profit reported to the Board represents the profit earned by each segment before the allocation of taxation, Group interest payments and Group acquisition costs. The assets and liabilities of the Group are not reviewed by the chief operating decision maker on a segment basis. The Group does not place reliance on any specific customer and has no individual customer that generates 10% or more of its total Group revenue.

The segment results for the six months to 30 April 2022 were:

	<b>PSS</b>	<b>EIM</b>	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>total</b>	<b>Content</b>	<b>Total</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue	29,652	3,554	<b>33,206</b>	-	<b>33,206</b>
Adjusted EBITDA (note 11)	10,679	311	<b>10,990</b>	-	<b>10,990</b>
Depreciation & Amortisation	(4,698)	(630)	<b>(5,328)</b>	-	<b>(5,328)</b>
Restructuring costs	(44)	(75)	<b>(119)</b>	-	<b>(119)</b>
Acquisition costs	(11)	-	<b>(11)</b>	-	<b>(11)</b>
Share option costs	(1,060)	(189)	<b>(1,249)</b>	-	<b>(1,249)</b>
Segment operating profit	4,866	(583)	<b>4,283</b>	-	<b>4,283</b>
Financing costs			<b>(30)</b>	-	<b>(30)</b>
Operating profit			<b>4,253</b>	-	<b>4,253</b>
Loss from sale of discontinued operations			-	(567)	<b>(567)</b>
Finance income			<b>219</b>	-	<b>219</b>
Finance costs			<b>(870)</b>	-	<b>(870)</b>
Profit before tax			<b>3,602</b>	(567)	<b>3,035</b>

The corporate recharge to the business unit is allocated on a head count basis.

## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 3 Segmental analysis (continued)

The segment results for the six months to 30 April 2021 were:

	<b>PSS</b>	<b>EIM</b>	<b>Continuing operations total</b>	<b>Discontinued operations Content</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Revenue	26,982	4,148	<b>31,130</b>	3,897	<b>35,027</b>
Adjusted EBITDA (note 11)	9,420	719	<b>10,139</b>	276	<b>10,415</b>
Depreciation & Amortisation	(4,778)	(265)	<b>(5,043)</b>	(454)	<b>(5,497)</b>
Restructuring costs	(127)	(33)	<b>(160)</b>	-	<b>(160)</b>
Acquisition costs	(6)	-	<b>(6)</b>	-	<b>(6)</b>
Share option costs	(771)	(13)	<b>(784)</b>	(119)	<b>(903)</b>
Segment operating profit / (loss)	3,738	408	<b>4,146</b>	(297)	<b>3,849</b>
Financing costs			<b>(29)</b>	-	<b>(29)</b>
Operating profit			<b>4,117</b>	(297)	<b>3,820</b>
Gain from sale of discontinued operations			-	4,592	<b>4,592</b>
Finance income			<b>801</b>	-	<b>801</b>
Finance costs			<b>(1,263)</b>	(15)	<b>(1,278)</b>
Profit before tax			<b>3,655</b>	4,280	<b>7,935</b>

The segment revenues by geographic location were as follows:

	<b>Continuing</b>	<b>Discontinued</b>	<b>Total Group</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>H1 FY22: Revenues from external customers:</b>			
United Kingdom	29,546	-	29,546
North America	2,008	-	2,008
Europe	1,407	-	1,407
Rest of World	245	-	245
	<b>33,206</b>	<b>-</b>	<b>33,206</b>
<b>H1 FY21: Revenues from external customers:</b>			
United Kingdom	26,679	46	26,725
North America	2,836	27	2,863
Europe	1,149	3,824	4,973
Rest of World	466	-	466
	<b>31,130</b>	<b>3,897</b>	<b>35,027</b>

### 4 Dividends

During the period a dividend was paid in respect of the year ended 31 October 2021 of 0.4p per ordinary share at a total cost of £1,784,000 (H1 FY21: 0.3p per ordinary share at a total cost of £1,331,000).

The directors do not propose a dividend in respect of the interim period ended 30 April 2022 (H1 FY21: £Nil).

## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 5 Tax on profit on ordinary activities

	<b>6 months to 30 April 2022 (unaudited) £000</b>	<b>6 months to 30 April 2021 (unaudited) £000</b>	<b>12 months to 31 October 2021 (audited) £000</b>
<b>Continuing operations</b>			
<b>Current tax</b>			
UK corporation tax on profit / loss for the year	361	1,116	2,406
Foreign tax on overseas companies	-	294	145
Under / (over) provision in respect of prior periods	43	(53)	(30)
Total current tax	<u>404</u>	<u>1,357</u>	<u>2,521</u>
<b>Deferred tax</b>			
Origination and reversal of timing differences	11	(723)	(1,553)
Adjustment for rate change	(12)	16	826
Adjustments in respect of prior periods	124	-	(577)
Other	-	-	20
Total deferred tax	<u>123</u>	<u>(707)</u>	<u>(1,284)</u>
Total tax charge	<u>527</u>	<u>650</u>	<u>1,237</u>
<b>Total operations</b>			
<b>Current tax</b>			
UK corporation tax on profit / loss for the year	361	1,136	2,406
Foreign tax on overseas companies	-	294	145
Under / (over) provision in respect of prior periods	43	(88)	(30)
Total current tax	<u>404</u>	<u>1,342</u>	<u>2,521</u>
<b>Deferred tax</b>			
Origination and reversal of timing differences	11	(712)	(1,553)
Adjustment for rate change	(12)	-	826
Adjustments in respect of prior periods	124	16	(577)
Other	-	-	20
Total deferred tax	<u>123</u>	<u>(696)</u>	<u>(1,284)</u>
Total tax charge	<u>527</u>	<u>646</u>	<u>1,237</u>

Unrelieved trading losses of £1,217,000 remain available to offset against future taxable trading profits (excluding unrecognised losses of £549,249 in the UK and £11,480,717 overseas).

## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 6 Discontinued operations

During the six months ended 30 April 2021, the Group received separate offers to acquire its Continental Compliance operations, and its Netherlands Grants Consultancy operations. These operations collectively comprised the Idox Content division of the Group. These offers were at an acceptable valuation and given the Group's desire to prioritise capital on its Idox Software operation, these disposals were completed in the period.

The Continental Compliance operations were disposed on 12 March 2021 and the Netherlands Grants Consultancy operations were disposed on 6 April 2021. These dates represent the point the control and legal ownership of these operations passed to the acquirers.

The results of the discontinued operations, which have been excluded in the consolidated income statement, were as follows:

	<b>6 months to 30 April 2022 (unaudited) £000</b>	<b>6 months to 30 April 2021 (unaudited) £000</b>	<b>12 months to 31 October 2021 (audited) £000</b>
Revenue	-	3,897	3,897
Expenses	-	(4,209)	(4,218)
(Loss) / gain on disposal	(567)	4,592	6,239
Profit before tax	(567)	4,280	5,918
Attributable tax expense	-	4	-
Net (loss) / profit attributable to discontinued operations	(567)	4,284	5,918

During the period, Content contributed £0.6m (H1 FY21: £0.1m) to the Group's net operating cash flows and contributed (£0.1m) (HY21 H1: £10.7m) in respect of investing and financing activities.

### 7 Earnings per share

The earnings per share is calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during each period, as follows:

	<b>6 months to 30 April 2022 (unaudited)</b>	<b>6 months to 30 April 2021 (unaudited)</b>	<b>12 months to 31 October 2021 (audited)</b>
<b>Continuing operations</b>			
Profit for the period (£000)	3,075	3,005	6,031
<b>Basic earnings per share</b>			
Weighted average number of shares in issue	441,605,209	439,472,715	440,376,576
Basic earnings per share	0.70p	0.68p	1.37p
Weighted average number of shares in issue	441,605,209	439,422,715	440,376,576
Add back:			
Dilutive share options	10,214,904	9,809,942	10,749,077
Weighted average allotted, called up and fully paid share capital	451,820,113	449,232,657	451,125,653
<b>Diluted earnings per share</b>			
Diluted earnings per share	0.68p	0.67p	1.34p

## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 7 Earnings per share (continued)

	<b>6 months to 30 April 2022 (unaudited)</b>	<b>6 months to 30 April 2021 (unaudited)</b>	<b>12 months to 31 October 2021 (audited)</b>
<b>Adjusted earnings per share</b>			
Adjusted profit for the period (£000) (see note 11)	5,483	5,081	10,252
Weighted average number of shares in issue - basic	441,605,209	439,422,715	440,376,576
Weighted average number of shares in issue - diluted	451,820,113	449,232,657	451,125,653
Adjusted basic earnings per share	<u>1.24p</u>	<u>1.16p</u>	<u>2.33p</u>
Adjusted diluted earnings per share	<u>1.21p</u>	<u>1.13p</u>	<u>2.27p</u>
	<b>6 months to 30 April 2022 (unaudited)</b>	<b>6 months to 30 April 2021 (unaudited)</b>	<b>12 months to 31 October 2021 (audited)</b>
<b>Total operations</b>			
Profit for the period (£000)	<u>2,508</u>	<u>7,289</u>	<u>11,949</u>
<b>Basic earnings per share</b>			
Weighted average number of shares in issue	<u>441,605,209</u>	<u>439,422,715</u>	<u>440,376,576</u>
Basic earnings per share	<u>0.57p</u>	<u>1.66p</u>	<u>2.71p</u>
Weighted average number of shares in issue	441,605,209	439,422,715	440,376,576
Add back:			
Dilutive share options	<u>10,214,904</u>	<u>9,809,942</u>	<u>10,749,077</u>
Weighted average allotted, called up and fully paid share capital	<u>451,820,113</u>	<u>449,232,657</u>	<u>451,125,653</u>
<b>Diluted earnings per share</b>			
Diluted earnings per share	<u>0.56p</u>	<u>1.62p</u>	<u>2.65p</u>

## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 8 Intangibles

	<b>Goodwill £000</b>	<b>Customer relationships £000</b>	<b>Trade names £000</b>	<b>Software £000</b>	<b>Development costs £000</b>	<b>Total £000</b>
At 31 October 2021	50,901	15,228	2,626	10,945	12,325	<b>92,025</b>
Additions	-	-	-	70	3,114	<b>3,184</b>
Fair Value Adjustment	915	-	-	-	-	<b>915</b>
Amortisation	-	(757)	(223)	(1,320)	(2,294)	<b>(4,594)</b>
At 30 April 2022	<u>51,816</u>	<u>14,471</u>	<u>2,403</u>	<u>9,695</u>	<u>13,145</u>	<b><u>91,530</u></b>

No impairment charge was incurred during H1 FY22 (H1 FY21: £Nil).

### 9 Long-term incentive plan (LTIP)

During the period, 5,462,258 options were granted under the LTIP.

The Group recognised a total charge of £1,249,211 (H1 FY21: £892,622) for equity-settled share-based payment transactions related to the LTIP during the period. The total cost was in relation to outstanding share options and share options granted in the year.

The number of options in the LTIP scheme is as follows:

	<b>30 April 2022 No.</b>	<b>30 April 2021 No.</b>	<b>31 October 2021 No.</b>
Outstanding at the beginning of the period	15,557,052	12,435,871	12,435,871
Granted	5,462,258	3,387,735	4,800,709
Forfeited	-	(265,345)	(265,345)
Exercised	(4,182,312)	(999,428)	(1,414,183)
Outstanding at the end of the period	<u>16,836,998</u>	<u>14,558,833</u>	<u>15,557,052</u>
Exercisable at the end of the period	<u>4,722,051</u>	<u>4,941,749</u>	<u>5,301,163</u>

### 10 Post balance sheet events

There have been no post balance sheet events which had a material impact on the Group.



## Notes to the interim accounts (continued)

For the six months ended 30 April 2022

### 11 Alternative Performance Measures

Where relevant, adjusted measures of profit have been used alongside statutory definitions. The main items that are added back to statutory profit are: amortisation from acquired intangible assets, impairment, restructuring costs, acquisition & financing costs and share option costs. These items are excluded from statutory measures of profit to present a measure of cash earnings from underlying activities on an ongoing basis. This is in line with management information requested and presented to the decision makers in our business; and is consistent with how the business is assessed by our providers of capital.

The following tables set out the Alternative Performance Measures in respect of continuing operations:

<b>Continuing operations</b>	<b>6 months to 30 April 2022 (unaudited) £000's</b>	<b>6 months to 30 April 2021 (unaudited) £000's</b>	<b>12 months to 31 October 2021 £000's</b>
<b>Adjusted EBITDA:</b>			
Profit before taxation	3,602	3,655	7,268
Add back:			
Depreciation & Amortisation	5,328	5,043	10,204
Restructuring costs	119	160	(90)
Acquisition costs	11	6	(134)
Financing costs	30	29	110
Share option costs	1,249	784	1,789
Net finance costs	651	462	372
Adjusted EBITDA	<u>10,990</u>	<u>10,139</u>	<u>19,519</u>
<b>Free cashflow:</b>			
Net cashflow from operating activities	11,127	17,775	16,554
Capex	(3,588)	(3,097)	(5,747)
Lease payments	(509)	(678)	(1,154)
Free cashflow	<u>7,030</u>	<u>14,000</u>	<u>9,653</u>
<b>Net debt / (cash):</b>			
Cash	(21,560)	(29,159)	(18,283)
Bank borrowings	14,466	10,207	15,394
Bonds in issue	10,848	11,364	10,998
Net debt / (cash)	<u>3,754</u>	<u>(7,588)</u>	<u>8,109</u>
<b>Adjusted profit for the period and adjusted earnings per share:</b>			
Profit for the period	3,075	3,005	6,031
Add back:			
Amortisation from acquired intangibles	1,881	1,737	3,561
Restructuring costs	119	160	(90)
Acquisition costs	11	6	(134)
Financing costs	30	29	110
Share option costs	1,249	784	1,789
Tax rate changes	-	-	826
Tax effect	(882)	(640)	(1,841)
Adjusted profit for the period	<u>5,483</u>	<u>5,081</u>	<u>10,252</u>
Weighted average number of shares in issue - basic	441,605,209	439,422,715	440,376,576
Weighted average number of shares in issue - diluted	451,820,113	449,232,657	451,125,653
Adjusted basic earnings per share	1.24p	1.16p	2.33p
Adjusted diluted earnings per share	1.21p	1.13p	2.27p