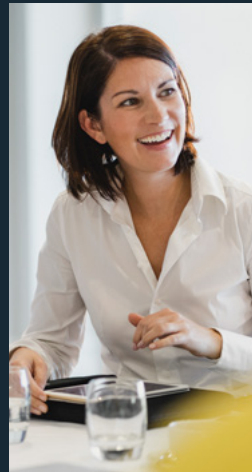
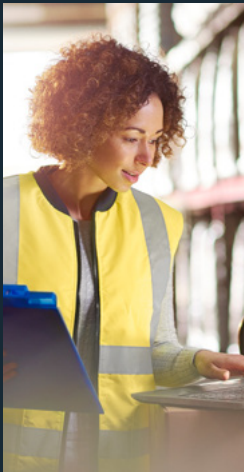




Personal  
Group

# Personal Group Holdings Plc Interim Statement

For the 6 months ended 30 June 2022



## Interim Results & Interim Dividend for the six months ended 30 June 2022

**Underlying growth, a strong balance sheet, and products that resonate in a challenging market for both employers and their employees, position the Group well for future uplift in EBITDA. On track to meet full year market expectations.**

Personal Group Holdings Plc (AIM: PGH), the workforce benefits and services provider is pleased to announce its interim results for the six months ended 30 June 2022.

### Financial Highlights

- Group revenue increased 5.8% to £34.7m (H1 2021: £32.8m)
- Annualised Premium Income for the Group's largest division, Affordable Insurance, rebuilding post-pandemic, up 7% to £26.2m, providing a strong basis for future growth
- Adjusted EBITDA\* of £1.5m (H1 2021: £4.1m), in line with management expectations reflecting the anticipated reduced contribution from insurance due to investment in policyholder acquisition and increased claims costs, offset by strong growth from other divisions
- Profit before tax of £0.5m (H1 2021: £3.2m) in line with adjusted EBITDA
- Basic EPS of 1.7p (H1 2021: 8.4p)
- Strong balance sheet and liquidity with cash and deposits at period end of £21.8m (Dec 2021: £22.9m), and debt free
- Interim dividend of 5.3p (H1 2021: 5.3p) to be paid, reflecting continued confidence in the Group's business model and prospects

### Operational Highlights

- 52 new client wins secured in the period including Vinci, Renfrewshire Council and BSI Group
- Strong retention and new insurance sales across Affordable Insurance segment, successfully building back towards pre-pandemic levels
- Continued substantial increase in contribution from SME channel via Sage Employee Benefits; Annual Recurring Revenue of £2.1m at 30 June 22 (£1.6m at 31 December 21, £1.2m at June 21)
- Hapi platform subscriptions showing growth; ARR of £1.7m at 30 June 22 (£1.5m at 31 December 21), with significant investment into the platform, driving immediate and ongoing cost savings
- Strong organic growth in Pay & Reward

### Post-Period Trading and Outlook

- New client gains continue with notable wins with Secure Trust Bank and Aston University choosing HapiFlex as their benefit platform
- Insurance sales and retention rates in H2 to date remain positive despite the macroeconomic environment and cost of living crisis, demonstrating the continued relevance of the Group's product offering in the current economic environment
- Strategic acquisition of Quintige Consulting Group ("QCG") post period end brings new clients to the Group with cross-sell opportunities for Hapi, Insurance and Innecto Digital products
- Trading remains in line to meet market's full year expectations
- Board is confident in longer-term outlook for the business

*\* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based payment expenses, corporate acquisition costs and restructuring costs.*

## Deborah Frost, Group Chief Executive of Personal Group, commented:

“ These half-year results are a demonstration of the resilience of our business model and product offering. We have made significant progress in executing our strategy and meeting the goals we set ourselves in the first six months of the year and we are starting to see new sales driving future growth.

Despite the challenges in the economic environment the Group has continued to successfully rebuild the Affordable Insurance side of the business, which will drive growth in a weighted second half, underpinning our confidence in meeting full-year targets for FY 2022.

Our relationship with Sage has gathered further momentum and gives us access to the previously untapped market of the UK's SME sector. We have also maintained significant investment into the business to support further innovation across our offering, including the new and improved Hapi 2.0 which, once launched, we expect will add significant value for clients and their employees.

Whilst we are cognisant of the macro environment and potential challenges it may bring, we believe that our products are valued by customers, as evidenced by the retention rates we've seen so far, across all of our product set, and which assures us that the million-plus employees using them share our views. We are seeing growth across the breadth of the business, which reinforces our belief in the relevance and importance of our product in these difficult times. These results are a credit to the hard work of our dedicated team and the Board is excited to see what we can achieve over the next twelve months.”

An overview of the interim results from Deborah Frost, Group Chief Executive, is available to [watch here](#):

## For more information please contact:

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### Notes to Editors

Personal Group Holdings Plc (AIM: PGH) is a workforce benefits and services provider. The Group enables employers across the UK to improve employee engagement and support their people's physical, mental, social and financial wellbeing. Its vision is to create a brighter future for the UK workforce.

Personal Group provides health insurance services and a broad range of employee benefits, engagement, and wellbeing products. Its offerings can also be delivered through its proprietary app, Hapi, and the recently developed extension to the platform, Hapiflex.

The Group's growth strategy is centred around widening the footprint of the business into the SME, talent-led & Public Sectors, thereby expanding the addressable customer base. In addition, it aims to grow in its existing industrial heartlands, to re-invigorate growth in insurance policyholders and to drive the use of its SaaS offerings.

Group Clients include: Airbus, B & Q, Barchester Healthcare, British Transport Police, The Prince's Trust/Randstad, Royal Mail Group, The Royal Mint, the Sandwell & Birmingham NHS Trust, Stagecoach Group plc, and The University of York.

For further information on the Group please see [www.personalgroup.com](http://www.personalgroup.com)

## CEO STATEMENT

**I am pleased to report that over the first six months we have seen all our underlying growth drivers moving in the right direction and we reflect on a period of good momentum and clear strategic progress.**

As anticipated, year-on-year profit comparison is lower, reflecting the lagged impact of the pandemic and 17 months of lockdowns on the insurance business. However this comparison masks the underlying growth and important achievements, at an operational level, across the Group and which will underpin future profitable growth.

Over the period I am particularly pleased to have seen the insurance book re-building

substantially, a very strong period for Pay & Reward, and acceleration in our offering to the small and mid-sized business market. All of this reflects the continued high demand for workforce benefits and services and the relevance of our product offering.

With workers throughout the country becoming increasingly exposed to challenging macroeconomic trends, such as the cost-of-living crisis, the value of our offering has

never been more apparent as is demonstrated by new client wins and positive insurance sales and retention rates during the period. We continue to enable employers across the UK to improve employee engagement and support their people's physical, mental, social and financial wellbeing, priorities which have all become more important in times of uncertainty.

### **Performance against Growth Strategy**

Our overarching strategy is to build workforce resilience for clients, helping employees thrive in work and in life. With our preliminary results, I announced our refreshed strategy, focusing on three core pillars:

- Driving insurance
- Transforming Reward & Benefits
- Accelerating our SME offer

In H1 we've made clear progress against each of these pillars. Our insurance book continues to build back towards pre-Pandemic levels, with Annualised Premium Income seeing real growth from the end of last year. Subscriptions for our market-leading employee engagement platform, Hapi, also grew across the first six months of the year, and we are planning significant investment into the platform. This investment into 'Hapi 2.0' is expected to further drive growth, with immediate and ongoing savings across the platform and a better user experience for clients. The acquisition of QCG, alongside organic growth for Innecto, strengthens our strategic reward offer and allows for cross-sell of Innecto Digital products and other benefit products. Our strategic development into the SME sector continues to show significant growth in terms of Annualised Recurring Revenue.

# CEO STATEMENT

## Divisional H1 Segmental Analysis

### **Affordable Insurance**

Our traditional face-to-face insurance sales' model was significantly affected by the series of lockdowns seen in 2020 and 2021 and we have witnessed the expected lagged impact of this over the past few reporting periods. However, with the field sales team now up to full strength, we continue to successfully rebuild the insurance book and in June 2022 we recorded the highest amount of new business signed in a single month since November 2018. This, combined with retention rates remaining above the Group's historical averages, has helped to drive the Annualised Premium Income (API) value up to £26.2m (December 2021: £24.4m).

The level of claims in H1, and particularly in Q1, was higher than anticipated, although this has subsequently returned to projected levels. This, in combination with a smaller insurance book and the increased policy-holder acquisition costs associated with having a full sales team out in the field, resulted in an adjusted EBITDA contribution of £4.0m (H1 2021: £6.5m), which should now continue to build in line with our increasing API.

### **Pay and Reward**

(Innecto)

Pay & Reward delivered strong organic growth during the period with overall revenue up 73%, consultancy fee income up 93% and annual subscription income from Innecto Digital products up 24% versus H1 2021. The acquisition of QCG and early wins achieved in H2 are anticipated to drive growth throughout the remainder of the year.

### **Benefits platform**

Organic growth was seen in the period across the Company's Benefits Platform with the combined Annualised Recurring Revenue (ARR) standing at £3.8m as of June 2022 (December 2021: £3.2m). This growth was largely driven by the substantial contribution from the Group's partnership with Sage, where ARR via Sage Employee Benefits increased to £2.1m at the end of the period (December 2021: £1.6m), and where we continue to see good momentum. We are now also exploring further routes to market including reaching SMEs directly, as well as through other potential partnerships.

### **Other Owned Benefits**

(Let's Connect)

Revenue for Let's Connect is down year-on-year, largely due to comparison with a strong H1 2021, where schemes were deferred from 2020. The division proves to be a popular benefit for employees, with order numbers up 10% on H1 2021, and one that we expect to remain highly relevant against the current macro backdrop as it moves into its peak period in Q4.

### **Interim Dividend**

The Company is pleased to announce that an interim dividend for 2022 of 5.3p will be paid on 15 November 2022 to members on the register as at 7 October 2022 (the record date). Shares will be marked ex-dividend on 6 October 2022. The last day for elections will be on 25 October 2022. The Board has considered the level of dividend in the context of the full year results, reflecting continued confidence in the Group's business model and prospects.

### **Board Changes**

As detailed in the RNS dated 1 June 2022, Liam McGrath stepped down from the Board, and left the Company, on 30 August 2022.

### **Current Trading and Outlook**

Trading into July and August has remained robust, and in line with management's expectations, giving the Board confidence in meeting market expectations for the full year.

Operationally, the Company is full of activity, with the core business delivering well and new opportunities being driven forward by an energised workforce.

Despite the confidence and positivity that currently surrounds the business we are very aware of the difficult and uncertain macro-environment in which we are all living. Whilst we continually monitor our lead indicators for signs of impact to the business, we are pleased that, to date, all indicators remain positive thereby supporting the Board's current confidence in the full year outcome. We are mindful, too, of industrial action by unions which could become more widespread and affect our client base and will also continue to monitor this. That said, our insurance offer is good value and gives peace of mind, qualities which are highly sought after in the current challenging climate and our Benefits and Pay & Reward products are becoming ever more important as employers look at how they can best remunerate teams against an inflationary backdrop.

We will continue to monitor events carefully and remain committed to executing on our growth strategy and look forward to delivering for shareholders going forward.

### **Deborah Frost**

Group Chief Executive

27 September 2022



## Consolidated Income Statement

	Note	6 months ended 30 June 2022 Unaudited £'000	Restated* 6 months ended 30 June 2021 Unaudited £'000
Gross premiums written		12,360	12,752
Outward reinsurance premiums		(70)	(79)
Change in unearned premiums		(59)	(186)
Change in reinsurers' share of unearned premiums		(7)	(8)
Earned premiums net of reinsurance		12,224	12,479
Employee benefits and services		8,436	8,108
Voucher resale income		13,848	12,082
Other income		128	135
Investment income		29	13
<b>Revenue</b>		<b>34,665</b>	<b>32,817</b>
Claims incurred		(3,663)	(2,713)
Insurance operating expenses		(3,227)	(1,888)
Employee benefits and services expenses		(8,268)	(8,417)
Voucher resale expenses		(13,872)	(12,135)
Other expenses		(38)	119
Group administration expenses		(4,679)	(4,410)
Share based payment expenses		(152)	(81)
Charitable donations		(50)	(35)
<b>Expenses</b>		<b>(33,949)</b>	<b>(29,560)</b>
Operating profit		716	3,257
Finance costs		(13)	(17)
Loss on equity investments		(244)	-
<b>Profit before tax</b>		<b>459</b>	<b>3,240</b>
Tax	4	73	(602)
<b>Profit for the period after tax</b>		<b>532</b>	<b>2,638</b>
<b>Total comprehensive income for the period</b>		<b>532</b>	<b>2,638</b>
<b>Earnings per share</b>		<b>Pence</b>	<b>Pence</b>
Basic		1.7	8.4
Diluted		1.7	8.4

The total comprehensive income for the period is attributable to equity holders of Personal Group Holdings Plc.

\*While the results remain unchanged, the presentation of the prior year has been restated to add clarity to the reader. For further details on the nature and rationale of the restatement, please refer to the consolidated financial statements of the Group for the year ended 31 December 2021.

## Consolidated Balance Sheet

	Note	At 30 June 2022 Unaudited £'000	At 31 Dec 2021 Audited £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	12,696	12,696
Intangible assets	7	1,746	1,637
Property, plant and equipment	8	4,988	5,033
		19,430	19,366
<b>Current assets</b>			
Financial assets	9	2,989	2,596
Trade and other receivables		8,361	14,035
Reinsurance assets		107	108
Inventories		1,059	898
Cash and cash equivalents		20,102	20,291
Current tax assets		441	310
		33,059	38,238
<b>Total assets</b>		<b>52,489</b>	<b>57,604</b>

## Consolidated Balance Sheet

	Note	At 30 June 2022 Unaudited £'000	At 31 Dec 2021 Audited £'000
<b>EQUITY</b>			
<b>Equity attributable to equity holders of Personal Group Holdings plc</b>			
Share capital		1,562	1,561
Share premium		1,134	1,134
Capital redemption reserve		24	24
Other reserve		(61)	(32)
Share based payment reserve		247	158
Profit and loss reserve		37,379	38,436
<b>Total equity</b>		<b>40,285</b>	<b>41,281</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		455	478
Trade and other payables		254	402
		709	880
<b>Current liabilities</b>			
Trade and other payables		8,272	12,356
Insurance contract liabilities		3,223	3,087
		11,495	15,443
<b>Total liabilities</b>		<b>12,204</b>	<b>16,323</b>
<b>Total equity and liabilities</b>		<b>52,489</b>	<b>57,604</b>

## Consolidated Statement of Changes in Equity for the six months ended 30 June 2022

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Share Based Payment Reserve £'000	Profit & loss reserve £'000	Total equity £'000
<b>Balance as at 1 January 2022</b>	1,561	1,134	24	(32)	158	38,436	41,281
Dividends	-	-	-	-	-	(1,654)	(1,654)
Employee share-based compensation	-	-	-	-	152	-	152
Proceeds of SIP* share sales	-	-	-	-	-	11	11
Cost of SIP shares sold	-	-	-	9	-	(9)	-
Cost of SIP shares purchased	-	-	-	(18)	-	-	(18)
Purchase of New shares	-	-	-	(20)	-	-	(20)
Shares issued in year - LTIP exercise	1	-	-	-	(63)	63	1
<b>Transactions with owners</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>(29)</b>	<b>89</b>	<b>(1,589)</b>	<b>(1,528)</b>
Profit for the period	-	-	-	-	-	532	532
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>532</b>	<b>532</b>
<b>Balance as at 30 June 2022</b>	<b>1,562</b>	<b>1,134</b>	<b>24</b>	<b>(61)</b>	<b>247</b>	<b>37,379</b>	<b>40,285</b>

\* PG Share Ownership Plan (SIP)

## Consolidated Statement of Changes in Equity for the six months ended 30 June 2021

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Share Based Payment Reserve £'000	Profit & loss reserve £'000	Total equity £'000
<b>Balance as at 1 January 2021</b>	1,561	1,134	24	(21)	-	38,076	40,774
Dividends	-	-	-	-	-	(1,592)	(1,592)
Employee share-based compensation	-	-	-	-	76	5	81
Proceeds of SIP* share sales	-	-	-	-	-	19	19
Cost of SIP shares sold	-	-	-	13	-	(13)	-
Cost of SIP shares purchased	-	-	-	(24)	-	-	(24)
<b>Transactions with owners</b>				<b>(11)</b>	<b>76</b>	<b>(1,581)</b>	<b>(1,516)</b>
Profit for the period	-	-	-	-	-	2,638	2,638
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,638</b>	<b>2,638</b>
<b>Balance as at 30 June 2021</b>	<b>1,561</b>	<b>1,134</b>	<b>24</b>	<b>(32)</b>	<b>76</b>	<b>39,133</b>	<b>41,896</b>

\* PG Share Ownership Plan (SIP)



## Consolidated Statement of Cash Flows

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 Unaudited £'000
<b>Net cash from operating activities (see opposite)</b>	<b>3,023</b>	<b>3,930</b>
<b>Investing activities</b>		
Additions to property, plant and equipment	(222)	(69)
Additions to intangible assets	(473)	(122)
Purchase of financial assets	(1,509)	(1)
Sale of financial assets	871	-
Interest received	29	13
Net cash from investing activities	(1,304)	(179)
<b>Financing activities</b>		
Proceeds from issue of shares	1	-
Purchase of own shares by the SIP	(31)	(16)
Proceeds from disposal of own shares by the SIP	6	8
Interest paid	(4)	(2)
Payment of lease liabilities	(226)	(233)
Dividends paid	(1,654)	(1,592)
Net cash used in financing activities	(1,908)	(1,835)
<b>Net change in cash and cash equivalents</b>	<b>(189)</b>	<b>1,916</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>20,291</b>	<b>17,589</b>
<b>Cash and cash equivalents, end of period</b>	<b>20,102</b>	<b>19,505</b>

## Consolidated Statement of Cash Flows

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 Unaudited £'000
<b>Operating activities</b>		
Profit after tax	532	2,638
Adjustment for:		
Depreciation	493	480
Amortisation of intangible assets	364	266
Loss on disposal of property, plant and equipment	24	-
Interest received	(29)	(13)
Realised and unrealised investment losses	244	-
Interest charge	13	17
Share-based payment expenses	152	81
Taxation expense recognised in income statement	(73)	602
<i>Changes in working capital:</i>		
Trade and other receivables	5,675	4,658
Trade and other payables	(4,129)	(4,420)
Inventories	(161)	64
Taxes paid	(82)	(443)
<b>Net cash from operating activities</b>	<b>3,023</b>	<b>3,930</b>

# Notes to the Consolidated Financial Statements

## 1. General information

The principal activities of Personal Group Holdings Plc ('the Company') and subsidiaries (together 'the Group') include transacting short-term accident and health insurance and providing employee services in the UK.

The Company is a limited liability company incorporated and domiciled in England. The address of its registered office is John Ormond House, 899 Silbury Boulevard, Milton Keynes, MK9 3XL.

The Company is listed on the Alternative Investment Market of the London Stock Exchange.

The condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021.

The financial information for the year ended 31 December 2021 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2021 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

These interim financial statements are unaudited and have not been reviewed by the auditors under International Standard on Review Engagements (UK and Ireland) 2410.

These consolidated interim financial statements have been approved for issue by the board of directors on 27 September 2022.

## 2. Accounting policies

These June 2022 interim consolidated financial statements of Personal Group Holdings Plc are for the six months ended 30 June 2022. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

These financial statements have been prepared in accordance with IFRS standards and IFRIC interpretations as adopted by the EU, issued and effective as at 30 June 2021.

The principal accounting policies remain unchanged from the year ended 31 December 2021. No new standards have become applicable for accounting periods commencing on or after 1 January 2022.

## 3. Segment analysis

The format of the segmental analysis was changed in for the year ended 31 December 2022 and a full explanation of this change can be found in those financial statements. The segments used by management to review the operations of the business are disclosed below.

### 1) Affordable Insurance

Personal Assurance Plc (PA), a subsidiary within the Group, is a PRA regulated general insurance Company and is authorised to transact accident and sickness insurance. It was established in 1984 and has been underwriting business since 1985. In 1997 Personal Group Holdings Plc (PGH) was created and became the ultimate parent undertaking of the Group.

Personal Assurance (Guernsey) Limited (PAGL), a subsidiary within the Group, is regulated by the Guernsey Financial Services Commission and has been underwriting death benefit policies since March 2015.

This operating segment derives the majority of its revenue from the underwriting by PA and PAGL of insurance policies that have been bought by employees of host companies via bespoke benefit programmes. During 2020 PAGL began underwriting employee default insurance for a proportion of LC customers.

### 2) Other Owned Benefits

This segment constitutes any goods or services in the benefits platform supply chain which are owned by the Group. At present this is made up of a technology salary sacrifice business trading as PG Let's Connect, purchased by the Group in 2014.

### 3) Benefits Platform

Revenue in this segment relates to the annual subscription income and other related income arising from the licensing of Hapi, the Group's employee benefit platform. This includes sales to both the large corporate and SME sectors.

### 4) Pay and Reward

Pay and Reward refers to the trade of Innecto, a pay and reward consultancy Company purchased in 2019. Revenue in this segment relates to consultancy and license income derived from selling Innecto digital platform subscriptions.

### 5) Other

The other operating segment includes revenue generated from the resale of vouchers. This segment also consists of revenue generated by Berkeley Morgan Group (BMG) and its subsidiary undertakings along with any investment and rental income obtained by the Group.

The revenue and net result generated by each of the Group's operating segments are summarised as follows:

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 Unaudited £'000
<b>Revenue by Segment</b>		
Insurance (Earned Premium)	12,224	12,477
IT Salary Sacrifice	5,387	6,203
Benefits Platform	3,574	2,759
Platform – Group Elimination	(1,425)	(1,374)
Pay & Reward	900	520
Other Income:		
Voucher resale	13,848	12,082
Other	128	135
Investment income	29	13
<b>Group Revenue</b>	<b>34,665</b>	<b>32,815</b>
<b>Adjusted EBITDA contribution by segment</b>		
Insurance (Earned Premium)	3,970	6,514
IT Salary Sacrifice	(32)	(40)
Benefits Platform	1,298	1,003
Pay & Reward	282	107
Other	(149)	214
Administrative Expenses	(3,798)	(3,683)
Charitable donations	(50)	(35)
<b>Adjusted EBITDA</b>	<b>1,521</b>	<b>4,080</b>
Depreciation	(493)	(479)
Amortisation	(364)	(266)
Interest	(13)	(17)
Share Based Payments Expenses	(152)	(81)
Acquisition Costs (Note 11)	(40)	-
<b>Profit before tax</b>	<b>459</b>	<b>3,237</b>

All 2022 income was derived from customers that are based in the UK.

#### 4. Taxation

The tax expense recognised is based on the weighted average annual tax rate expected for the full financial year multiplied by management's best estimate of the taxable profit of the interim reporting period.

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2022 was a credit of 15.9% (six-month period ended 30 June 2021: 18.6% charge). The tax income recognised in the period is mostly as a result of the application of the super-deduction capital allowances tax relief, eligible until 31 March 2023.

#### 5. Earnings per share and dividends

The weighted average numbers of outstanding shares used for basic and diluted earnings per share are as follows:

	6 months ended 30 June 2022	EPS Pence	6 months ended 30 June 2021	EPS Pence
Basic	31,210,686	1.7	31,213,128	8.4
Diluted	31,218,953	1.7	31,214,981	8.4

During the first six months of 2022 Personal Group Holdings Plc paid dividends of £1,654,000 to its equity shareholders (2021: £1,592,000). This represents a payment of 5.30p per share (2021: 5.10p).

	6 months ended 30 June 2022 £'000	6 months ended 30 June 2021 £'000
Dividends paid or provided for during the period	1,654	1,592

## 6. Goodwill

	PG Let's Connect £'000	Innecto £'000	Total £'000
<b>Cost</b>			
At 1 January 2022	10,575	2,121	12,696
Additions in the year	-	-	-
At 30 June 2022	10,575	2,121	12,696
<b>Amortisation and impairment</b>			
At 1 January 2022	-	-	-
Impairment charge for year	-	-	-
At 30 June 2022	-	-	-
<b>Net book value at 30 June 2022</b>	<b>10,575</b>	<b>2,121</b>	<b>12,696</b>
Net book value at 31 December 2021	10,575	2,121	12,696

## 7. Intangible assets

	Customer Value £'000	Computer software and development £'000	Innecto Technology £'000	Internally Generated Computer Software £'000	Work in Progress £'000	Total £'000
<b>Cost</b>						
At 1 January 2022	2,374	2,287	298	506	198	5,663
Transfers	-	-	-	-	-	-
Additions	-	191	-	-	282	473
Disposals	-	-	-	-	-	-
At 30 June 2022	2,374	2,478	298	506	480	6,136
<b>Amortisation</b>						
At 1 January 2021	2,059	1,293	170	504	-	4,026
Amortisation charge for the year	73	259	30	2	-	364
Provided in the period	-	-	-	-	-	-
Disposals in the period	-	-	-	-	-	-
At 30 June 2022	2,132	1,552	200	506	-	4,390
<b>Net book amount at 30 June 2022</b>	<b>242</b>	<b>926</b>	<b>98</b>	<b>-</b>	<b>480</b>	<b>1,746</b>
Net book amount at 31 December 2021	315	994	128	2	198	1,637

## 8. Property, plant and equipment

	Freehold land and properties £'000	Motor vehicles £'000	Computer equipment £'000	Furniture fixtures & fittings £'000	Leasehold improvements £'000	Right of use Assets £'000	Total £'000
<b>Cost</b>							
At 1 January 2022	5,037	157	1,112	2,310	38	1,204	9,858
Additions	-	-	221	1	-	250	472
Disposals	-	-	-	-	-	(36)	(36)
At 30 June 2022	5,037	157	1,333	2,311	38	1,418	10,294
<b>Depreciation</b>							
At 1 January 2022	1,828	125	786	1,265	37	784	4,825
Provided in the period	43	5	131	108	1	205	493
Disposals	-	-	-	-	-	(12)	(12)
At 30 June 2022	1,871	130	917	1,373	38	977	5,306
<b>Net book amount at 30 June 2022</b>	<b>3,166</b>	<b>27</b>	<b>416</b>	<b>938</b>	<b>-</b>	<b>441</b>	<b>4,988</b>
Net book amount at 31 December 2021	3,209	32	326	1,045	1	420	5,033

## 9. Financial Investments

	At 30 June 2022 Unaudited £'000	At 31 December 2021 Audited £'000
Bank deposits	1,733	2,596
Equity Investments	1,256	-
	<b>2,989</b>	<b>2,596</b>

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

Bank deposits, held at amortised cost, are due within 6 months and the amortised cost is a reasonable approximation of the fair value. These would be included within Level 2 of the fair value hierarchy.

Equity Investments are held at fair value and are considered Level 1 financial assets.

## 10. Long Term Incentive Plan (LTIP)

### LTIP 2021

During the period, the Remuneration Committee approved a second tranche of share awards under the existing LTIP approved on 6 April 2021. Further details of the award can be found in the RNS announcement from 20 April 2022.

Under the scheme share options of Personal Group Holdings Plc are granted to senior executives with an Exercise Price of 5p (nominal value of the shares). The share options have various market and non-market performance conditions which are required to be achieved for the options to vest. The options also contain service conditions that require option holders to remain in employment of the Group. The market and non-market performance conditions are set out below.

### **Total Shareholder Return** *(Market condition)*

50% of the awards vest under this condition. Subject to Compound Annual Growth Rate (CAGR) of the Total Shareholder Return (TSR) over the Performance Period.

### **EBITDA Targets** *(Non-market condition)*

35% of the awards vest under this condition. Subject to cumulative EBITDA over the Performance Period.

### **Environmental, social and governance targets (“ESG”) Targets** *(Non-market condition)*

Up to 15% of the awards vest under this condition. The awards shall vest upon the Remuneration Committee determining that all ESG targets have been met.

The fair value of the of the share options is estimated at the grant date using a Monte-Carlo binomial option pricing model for the market conditions, and a Black-Scholes pricing model for non-market conditions.

However, the above performance condition is only considered in determining the number of instruments that will ultimately vest.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the LTIP as an equity-settled plan.

In total, £142,000 of employee share-based compensation has been included in the consolidated income statement to 30 June 2022 (2021: £76,000). The corresponding credit is taken to equity. No liabilities were recognised from share-based transactions. The remaining £10,000 of share-based compensation expense relates to the Company Share Option Plan (CSOP).

### **11. Post balance sheet events**

On 1st July 2022 Personal Group Holdings Plc acquired 100% of Quintige Consulting Group Limited (“QCG”) for £965,652.

Included within the half year financial statements are £40,000 of acquisition costs incurred in the purchase of QCG.

### **12. Financial calendar for the year ending 31 December 2022**

The Company announces the following dates in its financial calendar for the year ending 31 December 2022:

- Preliminary results for the year ending 31 December 2022 - March 2023
- Publication of Report and Accounts for 2022 - March 2023
- AGM - April/May 2023



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