IDE Group Holdings Plc
("IDE", the "Group" or the "Company")

Unaudited Interim Results

IDE Group Holdings plc, the mid-market network, cloud and IT managed services provider, today announces its unaudited results for the six months ended 30 June 2021.

Summary

- On 28 September 2021 the Board announced that it was in advanced discussions to sell its wholly owned subsidiary, IDE Group Connect Limited. As the sale is highly probable the Directors have added a proforma to their unaudited interim results for 2021 which sets out the impact for the six months trading results for the months ended 30 June 2021 illustrating these entities as discontinued operations. The proforma is attached to the end of these results.

Financial highlights for the expected continuing operations

- Revenue* of £7.6 million (H1 2020: £6.8 million)
- Gross profit* of £3.6 million (H1 2020: £2.5 million) representing an improved margin of 47% (H1 2020 37%)
- Adjusted EBITDA** profit of £2.1 million (H1 2020: 0.5 million)

** from continuing operations, excluding the results relating to IDE Group Connect Limited and Nimoveri Limited*

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Non-Executive Chairman's Statement

The first six months of the year has been a period of growth as we come out of the COVID-19 restrictions. The Group has taken advantage of this period to continue to restructure the operational side of the business and have decided to concentrate on the profitable Manage side of the operations.

Manage

Our Manage division has been highly praised as a service and support partner by its customer base. When considering which of our two divisions to focus on it was clear that further investment in this division would be beneficial. Consequently, the Company announced a major contract win with an existing partner in January 2021 that would deliver revenues of £22.5m in the subsequent 3 years with a possible extension to 5 years.

I'm delighted to say that this relationship has deepened and extended quickly, indeed the unfiltered pipeline for this division now runs into north of £60m albeit this has two major contracts within it.

As can be seen from the half year results this division is showing good organic growth at a revenue and profit level, and it is our belief that this will continue over the next few years.

All our colleagues in Manage deserve a hearty thank you for the outstanding work delivered and service excellence enjoyed by our partners.

Connect

The Connect division has continued to struggle in H1. A lack of scale has continued to hold the business back and the choice for IDE was to invest by way of acquisition to enable scale or sell the business to someone else.

An informal process was undertaken with Oakley Capital and the combination of continuing churn and longer-term onerous contracts made an elongated sale process an unrealistic option. The reported expected sale price reflects this.

Sale of subsidiary undertakings IDE Group Connect Limited and Nimoveri Limited

As we announced on 28th September 2021, the Board announced that it was in advanced discussions to sell its wholly owned subsidiary IDE Group Connect Limited. The proforma statement at the end of these unaudited financial results shows that for the period 1 January 2021 to 30 June 2021 IDE Group Connect Limited and Nimoveri Limited made a combined operating loss of £1.4 million.

Summary and Outlook

On the 28thSeptember 2018 this Company reported a damning review of the Company by its Executive Director and representative of the largest shareholder, MXC. MXC, along with other shareholders committed to resolving what was a terrible situation for all shareholders and backed that with new money inviting all shareholders to participate.

It has taken three long years to turn this company around, but I am truly delighted to say that at last, with the expected sale of Connect, we have a meaningfully profitable company with excellent prospects.

The efforts of all staff involved in this turnaround cannot be underestimated. Some incredibly tough decisions have been made along the way which has seen good people leave the business because the company neither had the scale or resources to keep them.

This thankfully is now in the past and with the Company entirely focused on its partner revenues through Manage we have an exciting future ahead of us. At both a trading, post central and PLC costs we have a profitable business. Our focus is now entirely on growth, continued organic growth and the possibility of acquisitions. Our experience of right sizing this company and moving old style working practices into new, more efficient ways of delivering service mean that we can operate profitably and decrease the cost to serve for our partners. It's a hackneyed phrase but a true Win – Win.

The Company is now seriously looking at options to remove the debt overhang and is liaising with the debtholders to ascertain the best way to resolve this and finally allow the company to prosper for all shareholders.

This day has been a long time coming but for the first time in three years we can confidently look forward to a positive and rewarding future for IDE shareholders.

Andy Parker
Non-Executive Chairman

Financial Review

Results for the six months to 30 June 2021

Revenue for the six months to 30 June 2021 from operations was £ 13.9 million (H1 2020: £12.4 million).

Gross profit for the six months to 30 June 2021 was £4.1 million (H1 2020: £3.1 million), representing an overall gross margin of 29.0%, a significant improvement to the prior period. The change in gross profit in the six months to 30 June 2021 was due to improved trading in IDE Manage.

At an Adjusted EBITDA* level the Group generated a profit of £1.5 million (H1 2020: £0.4 million).

Exceptional costs amounted to £0.2 million (H1 2020: £0.3 million) and related predominantly to legacy redundancy costs as a result of the reduction in headcount in the previous financial year. Going forward, we expect exceptional costs to continue to decrease.

Net financial costs remained at £0.8 million (H1 2020: £1.0 million), which include £0.7 million of interest on the loan notes issued which is payable at the end of their term. In addition, the costs include £0.1 million of notional interest in relation to the convertible loan notes.

The loss after tax for the period was £1.3 million (H1 2020: loss of £3.6 million).

Loss per share was (0.31)p (H1 2020: loss per share 0.89p).

Cashflow and Net Debt

The Group's cash generated from operating activities in the period was £0.1 million (H1 2020 inflow of £0.9 million), reflecting positive underlying performance and careful management of working capital. The Group invested £0.04 million in fixed assets. There were no new borrowings, but repayment of lease liabilities consumed £0.1 million (H1 2020: £0.9 million). The net result is that as at 30 June 2021 there were no bank borrowings or overdraft debt and the cash balance was £0.6 million (H1 2020: £0.5 million). Net debt as at 30 June 2021 was £20.1 million (31 December 2020: £24.8 million).

Appointment of a New CFO

In August, the Company announced the resignation of its Chief Financial Officer, David Templeman. An experienced Interim CFO has subsequently been appointed and the Board intends to review in due course.

Consolidated Statement of Comprehensive Income

	Note	**Unaudited Six months ended 30 June 2021 £000**	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Revenue	2	**13,909**	12,425	24,061
Cost of sales		**(9,850)**	(9,351)	(18,294)
Gross profit		**4,059**	3,074	5,767
Other operating income		**109**	-	383
Administrative expenses excluding impairment		**(4,890)**	(5,887)	(11,835)
Impairment loss on trade receivables		**-**	-	(142)
Impairment charge on goodwill and intangibles		**-**	-	(8,473)
Impairment charge on property, plant and equipment		**-**	-	(5,481)
Operating loss		**(722)**	(2,813)	(19,781)
Analysed as:				
Adjusted EBITDA*		**1,453**	362	533
Exceptional items	3	**(189)**	(250)	(479)
Depreciation		**(545)**	(1,295)	(2,616)
Amortisation		**(1,445)**	(1,630)	(3,233)
Impairment of goodwill and intangibles		**-**	-	(8,473)
Impairment charge on property, plant and equipment		**-**	-	(5,481)
Charges for share based payments		**-**	-	(32)
Profit on sale of assets		**4**	-	-
Net financial costs		**(783)**	(966)	(1,799)
Loss before taxation		**(1,505)**	(3,779)	(21,580)
Income tax		**240**	200	3,103
Loss for the period after taxation		**(1,265)**	(3,579)	(18,477)
Other comprehensive income:				
Items that are or may be classified subsequently to profit or loss:				
Foreign exchange translation differences – equity accounted investments		**-**	-	-
Loss for the period and total comprehensive income attributable to equity holders of the parent		**(1,265)**	(3,579)	(18,477)
Basic and diluted loss per share – continuing operations	4			
Basic (pence per share)		**(0.31)**	(0.89)	(4.61)
Diluted (pence per share)		**(0.31)**	(0.89)	(4.61)

* Earnings from continuing operations before net finance costs, tax, depreciation, amortisation, impairment charges, share based payments and exceptional costs

Consolidated Statement of Financial Position

	Note	**Unaudited 30 June 2021 £000**	Unaudited 30 June 2020 £000	Audited 31 December 2020 £000
Non-current assets				
Intangible assets		**9,788**	16,546	11,429
Goodwill		**196**	3,115	-
Property, plant and equipment		**705**	8,433	1,208
Financial and other assets		**2,284**	1,821	3,539
		12,973	29,915	16,176
Current assets				
Trade and other receivables		**5,736**	5,330	5,444
Deferred tax asset		**3,439**	-	-
Cash and cash equivalents		**615**	466	693
		9,790	5,796	6,137
Total assets		**22,763**	35,711	22,313
Current liabilities				
Borrowings	5	**100**	-	100
Trade and other payables		**11,278**	5,805	8,487
Contract liabilities		**1,581**	1,073	1,370
Taxation		**-**	1,134	-
Finance lease obligations		**620**	1,195	431
Provisions		**115**	159	221
		13,694	9,366	10,609
Non-current liabilities				
Trade and other payables		**-**	-	1,584
Contract liabilities		**15**	62	15
Borrowings	5	**14,656**	13,330	13,987
Convertible loan notes	6	**-**	1,890	1,983
Finance lease obligations		**545**	1,545	860
Deferred tax liabilities		**1,547**	3,061	1,786
Provisions		**91**	192	91
		16,854	20,080	20,306
Total liabilities		**30,548**	29,446	30,915
Net (liabilities)/assets		**(7,785)**	6,265	(8,602)
Equity attributable to equity holders of the parent				
Called up share capital		**12,417**	10,020	10,020
Share premium account		**35,439**	35,439	35,439
Other reserves		**502**	817	817
Retained earnings		**(56,143)**	(40,011)	(54,878)
Total equity		**(7,785)**	6,265	(8,602)

Consolidated Statement of Changes in Equity

	Share capital (a)	Share premium (b)	Equity Reserve (c)	Retained earnings (d)	Foreign currency translation reserve (e)	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2020	10,020	35,439	967	(36,433)	(150)	9,843
Total comprehensive income for the period						
Loss for the financial year and total comprehensive income	-	-	-	(3,579)	-	(3,579)
At 30 June 2020 (unaudited)	**10,020**	**35,439**	**967**	**(40,012)**	**(150)**	**6,264**
Total comprehensive income for the period						
Loss for the financial year and total comprehensive income	-	-	-	(14,898)	-	(14,898)
Transactions with owners recorded directly in equity						
Share based payments	-	-		32	-	32
At 31 December 2020 (audited)	**10,020**	**35,439**	**967**	**(54,878)**	**(150)**	**(8,602)**
At 1 January 2021	**10,020**	**35,439**	**967**	**(54,878)**	**(150)**	**(8,602)**
Total comprehensive income for the period						
Loss for the period	-	-	-	(1,265)	-	(1,265)
Issue of new shares	2,397	-	(315)	-	-	2,082
At 30 June 2021 (unaudited)	**12,417**	**35,439**	**652**	**(56,143)**	**(150)**	**(7,785)**

(a) Share capital represents the nominal value of equity shares

(b) Share premium represents the excess over nominal value of the fair value of consideration received for equity shares; net of expenses of the share issue;

(c) The equity reserve consists of the equity component of convertible loan notes that were issued as part of the fundraising in August 2018 less the equity component of instruments converted or settled.

The fair value of the equity component of convertible loan notes issued is the residual value after deduction of the fair val ue of the debt component of the instrument from the face value of the loan note.

(d) Retained earnings represents retained profits and accumulated losses

(e) On consolidation, the balance sheets of the Group's foreign subsidiaries are translated into sterling at the rates of exchang e ruling at the balance sheet date. Exchange gains or losses arising from the consolidation of these foreign subsidiaries are recognised in the foreign currency translation reserve.

Consolidated Cash Flow Statement

	Unaudited Six months ended 30 June 2021 £000	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Loss for the period	**(1,505)**	(3,779)	(21,580)
Adjustments for:			
Depreciation of property, plant and equipment	**545**	1,295	2,616
Amortisation of intangible assets	**1,445**	1,630	3,233
Impairment Charge	**-**	-	13,954
Net financial costs	**783**	966	1,799
Equity settled share-based payment expenses	**-**	-	32
Profit on sale of fixed assets	**(4)**	-	-
	1,264	112	54
Decrease in trade and other receivables	**(2,477)**	2,386	2,175
Decrease in trade and other payables	**1,420**	(1,565)	(4)
Decrease in inventory	**-**	-	-
(Decrease)/ increase in provisions	**(105)**	(71)	(111)
	102	862	2,114
Net corporation tax recovered/ (paid)	**-**	-	-
Net cash acquired from operating activities	**102**	862	2,114
Cash flow from investing activities:			
Acquisition of Nimoveri, net cash acquired	**-**	(52)	(72)
Acquisition of property, plant and equipment	**(43)**	(14)	(82)
Proceeds from sale of fixed assets	**4**	-	-
Net cash used in investing activities	**(39)**	(66)	(154)
Cash flows from financing activities:			
Repayment of lease liabilities	**(126)**	(887)	(1,848)
Net interest paid	**(15)**	(122)	(98)
Net cash absorbed by financing activities	**(141)**	(1,009)	(1,946)
Net increase/ (decrease) in cash and cash equivalents	**(78)**	(213)	14
Cash and cash equivalents at beginning of period	**693**	679	679
Cash and cash equivalents at end of period	**615**	466	693
Being:			
Cash and cash equivalents	**615**	466	693
	615	466	693

Notes to the half-yearly financial information

1. Basis of preparation

The condensed consolidated interim financial information for the six-month period ended 30 June 2021 and 30 June 2020 is unaudited. This statement has not been reviewed by the Company's auditor. This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 29th September 2021. A copy of this half-yearly financial report is available on the Company's website at www.idegroup.com.

The comparative figures for the financial year ended 31 December 2020 are extracted from but do not comprise the Group's consolidated financial statements for that year.

The Company is a public limited liability company incorporated and domiciled in Scotland. The address of its registered office is 24 Dublin Street, Edinburgh EH1 3PP. The Company is listed on the AIM market of the London Stock Exchange.

IDE and its subsidiaries have not applied IAS 34, 'Interim Financial Reporting' as adopted by the European Union, which is not mandatory for UK AIM listed companies, in the preparation of this half-yearly financial report.

This condensed consolidated interim financial information for the six-month period ended 30 June 2021 therefore does not comply with all the requirements of IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The consolidated interim financial information should be read in conjunction with the annual financial statements of the Company as at and for the year ended 31 December 2020, which were prepared in accordance with IFRS as adopted by the European Union.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2020 were approved by the Board of Directors on 21 July 2021 and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the six months ended 30 June 2021 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union and are consistent with those that will be adopted in the annual statutory financial statements for the year ended 31 December 2020.

While the financial information included has been prepared in accordance with the recognition and measurement criteria of IFRS, as adopted by the European Union, these financial statements do not contain sufficient information to comply with IFRSs. The accounting policies adopted in the interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2020.

Exceptional items and other non-recurring items

Items which are material because of their size or nature, and which are non-recurring are highlighted separately on the face of the income statement. The separate reporting of exceptional items helps provide a better picture of the Company's underlying performance. Items which may be included within the exceptional category include:

- spend on major restructuring programmes;
- significant goodwill or other asset impairments; and
- other particularly significant or unusual items.

Exceptional items are excluded from the headline profit measures used by the Group and are highlighted separately in the income statement as management believe that they need to be considered separately to gain an understanding the underlying profitability of the trading businesses.

For further details, please refer to note 3.

Going concern

The condensed consolidated interim financial information has been prepared on a going concern basis.

Taking into account the support of certain of the Company's significant shareholders, of which the largest is represented on the Board, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider that the adoption of the going concern basis is appropriate.

2. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been identified as the Executive Board. The Executive Board is responsible for resource allocation and assessing the performance of the operating segments. The operating segments are defined by distinctly separate product offerings or markets. The CODM assesses the performance of the operating segments based on a measure of revenue and gross profit. The CODM does not review the segmental assets and liabilities on a disaggregated basis and therefore the information has not been provided.

The following table presents revenue and gross profit in respect of the Group's operating segments for the six months ended 30 June 2021:

Unaudited for the six-month period ended 30 June 2021

	IDE Group Manage	IDE Group Connect	Nimoveri Limited	Central & inter-segment	Total
	£000	£000	£000	£000	£000
Revenue	7,807	6,313	39	(250)	13,909
Cost of Sales	(4,248)	(5,843)	(9)	250	(9,850)
Gross profit	3,559	470	30	-	4,059
Other operating income	27	82	-	-	109
Administrative expenses	(1,564)	(1,943)	(14)	(1,369)	(4,890)
Operating profit/ (loss)	2,022	(1,391)	16	(1,369)	(722)
Analysed as:					
Adjusted EBITDA*	2,398	(616)	16	(337)	1,453
Depreciation	(288)	(257)	-	-	(545)
Amortisation of intangible assets	-	(416)	-	(1,029)	(1,445)
Exceptional costs	(88)	(98)	-	(3)	(189)
Profit on sale of assets	-	4	-	-	4
Net financial costs	(4)	(10)	-	(769)	(783)
Loss before taxation	2,018	(1,401)	16	(2,138)	(1,505)
Tax on loss on ordinary activities	(260)	500	-	-	240
Loss for the period after taxation	1,758	(901)	16	(2,138)	(1,265)

Unaudited for the six-month period ended 30 June 2020

	IDE Group Manage	IDE Group Connect	Nimoveri Limited	Central & inter-segment	Total
	£000	£000	£000	£000	£000
Revenue	6,787	6,058	-	(420)	12,425
Cost of Sales	(4,274)	(5,580)	-	(503)	(9,351)
Gross profit	2,513	478	-	83	3,074
Administrative expenses	(2,418)	(1,475)	-	(1,994)	(5,887)
Operating profit/ (loss)	95	(997)	-	(1,911)	(2,813)
Analysed as:					
Adjusted EBITDA*	614	(135)	-	(117)	362
Depreciation	(296)	(406)	-	(593)	(1,295)
Amortisation of intangible assets	-	(451)	-	(1,179)	(1,630)
Exceptional costs	(223)	(5)	-	(22)	(250)
Net financial costs	(9)	(18)	-	(939)	(966)
Loss before taxation	86	(1,015)	-	(2,850)	(3,779)
Tax on loss on ordinary activities	-	-	-	-	200
Loss for the period after taxation	86	(1,015)	-	(2,850)	(3,579)

* Earnings from continuing operations before net finance costs, tax, depreciation, amortisation, goodwill impairment, share based payments and exceptional costs

Administrative expenses are not allocated against operating segments in the Group's internal reporting. The statement of financial position is not allocated between the operating segments in the Group's internal reporting.

3. Exceptional costs

In accordance with the Group's policy in respect of exceptional costs, the following charges were incurred in relation to continuing operations:

	Unaudited Six months ended 30 June 2021 £000	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Restructuring and reorganisation costs	**189**	250	479

4. Earnings per share from continuing operations

The calculation of basic and diluted loss per share is based on results from continuing operations attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares for the purpose of calculating the basic and diluted measures in the reporting periods is the same. This is because the outstanding options would have the effect of reducing the loss per ordinary share and therefore would be anti-dilutive under the terms of IAS 33. Basic and diluted unaudited loss per share from continuing operations are calculated as follows:

	Unaudited Six months ended 30 June 2021 £000	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Loss attributable to shareholders	**(1,265)**	(3,579)	(18,477)
Weighted average number of shares	**413,413,639**	**400,802,032**	400,802,032
Diluted weighted average number of shares	**413,413,639**	**400,802,032**	400,802,032
Basic loss per share (pence)	**(0.31)**	(0.89)	(4.61)
Diluted loss per share (pence)	**(0.31)**	(0.89)	(4.61)

5. Borrowings

In January 2019 the Company issued £5.3 million of secured loan notes with a six-year term and a 12% coupon which is compounded, rolled up and payable at the end of the term ("Loan Notes"). In February and March 2019, a further £4.7 million in total of Loan Notes were issued. The Loan Notes carry an arrangement fee of 2.5 per cent., payable at the end of the term, and an exit fee of 2.5 per cent., also payable at the end of the term.

In December 2019 the Company issued an additional £1.5 million of Loan Notes (with the same terms as those issued in the first quarter of the year).

The Loan Notes are held at amortised cost using the effective interest rate method. The effective interest rate for the Loan Notes has been calculated to be 18%.

On 1 June 2020, Group completed the acquisition of Nimoveri Holdings Limited, a small cloud and IT services business, for a total consideration of £0.2 million; £0.1 million paid in cash on completion and the issue of £0.1 million 0% Loan Notes by IDE Group Limited, a Group company (the "Nimoveri Loan Notes"). The Nimoveri Loan Notes are secured over the assets of Nimoveri Holdings Limited and redeemable on 31 December 2021.

	Unaudited Six months ended 30 June 2021 £000	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Non-Current			
Loan Notes	**14,656**	13,330	13,987
Current			
Loan Notes	**100**	-	100

6. Convertible Loan Notes

On 21 August 2018, as part of a wider fundraising, the Company issued £2.55 million of unsecured loan notes, which have a term of 5 years and a zero per cent coupon ("CLNs"). The CLNs can be converted into new ordinary shares in the capital of IDE at a price of 2.5 pence per share. Conversion is at the option of the holder at any time during the 5-year term. At the end of the term, if the holder has not chosen to convert the CLNs, the CLNs will be settled with a cash repayment. At issue, the CLNs had a fair value of £2.54 million, split into an equity component (£0.96 million) and a debt component (£1.58 million).

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	Unaudited Six months ended 30 June 2021 £000	Unaudited Six months ended 30 June 2020 £000	Audited Year ended 31 December 2020 £000
Balance at beginning of period	**1,983**	1,803	1,803
Issue of new shares*	**(2,082)**	-	-
Interest unwound	**99**	87	180
Total	**-**	1,890	1,983

*On 7 June 2021 £2,397,519 of the unsecured convertible loan notes issued in August 2018 were converted into 95,900,760 Ordinary shares of 2.5p each, at a conversion price of 2.5p per share. £2.1 million has been posted against the Consolidated Loan Notes debt component in June 2021 and the balance of £0.3 million set off against the Equity reserve.

Appendix 1. Proforma Consolidated Statement of Comprehensive Income
Illustrating the effect of IDE Group Connect Ltd and Nimoveri Ltd as discontinued operations

	Note	Unaudited Six months ended 30 June 2021 £000
Continuing Operations		
Revenue		**7,585**
Cost of sales		**(4,028)**
Gross profit		**3,557**
Other operating income		**27**
Administrative expenses excluding impairment		**(2,932)**
Operating profit		**652**
Analysed as:		
Adjusted EBITDA*		**2,061**
Exceptional items		**(91)**
Depreciation		**(289)**
Amortisation		**(1,029)**
Net financial costs		**(773)**
Profit before taxation		**(121)**
Income tax		**(260)**
Loss for the period from continuing operations attributable to owners of the parent company		**(381)**
Discontinued operations		
Loss after tax for the year from discontinued operations		**(884)**
Loss for the period after taxation		**(1,265)**
Other comprehensive income:		
Items that are or may be classified subsequently to profit or loss:		
Foreign exchange translation differences – equity accounted investments		**-**
Loss for the period and total comprehensive income attributable to equity holders of the parent		**(1,265)**
Basic and diluted loss per share – continuing operations	4	
Basic (pence per share)		**(0.09)**
Diluted (pence per share)		**(0.09)**

* Earnings from continuing operations before net finance costs, tax, depreciation, amortisation, impairment charges, share based payments and exceptional costs

Appendix 2. Discontinuing operations Statement of Comprehensive Income
Trading for the first six months of 2021 of IDE Group Connect Ltd and Nimoveri Ltd combined

	Note	**Unaudited Six months ended 30 June 2021 £000**
Discontinued Operations		
Revenue		**6,325**
Cost of sales		**(5,822)**
Gross profit		**503**
Other operating income		**82**
Administrative expenses excluding impairment		**(1,963)**
Impairment loss on trade receivables		**-**
Impairment charge on goodwill and intangibles		**-**
Impairment charge on property, plant and equipment		**-**
Profit on sale of assets		**4**
Operating profit		**(1,374)**
Analysed as:		
Adjusted EBITDA*		**(602)**
Exceptional items		**(98)**
Depreciation		**(257)**
Amortisation		**(417)**
Impairment of goodwill and intangibles		**-**
Impairment charge on property, plant and equipment		**-**
Net financial costs		**(10)**
Loss before taxation		**(1,384)**
Income tax		**500**
Loss for the period after taxation		**(884)**
Other comprehensive income: Items that are or may be classified subsequently to profit or loss: Foreign exchange translation differences – equity accounted investments		**-**
Loss for the period and total comprehensive income attributable to equity holders of the parent		**(884)**
Basic and diluted loss per share – discontinuing operations	4	
Basic (pence per share)		**(0.21)**
Diluted (pence per share)		**(0.21)**

* Earnings from continuing operations before net finance costs, tax, depreciation, amortisation, impairment charges, share based payments and exceptional costs