20 December 2018

The Panoply Holdings PLC
("The Panoply", or the "Group")

Interim results

The Panoply, a digitally native technology services company, is pleased to announce its results for the six month period ending 30 September 2018.

Financial highlights*

- Revenue up 48% to £10.1m (2017: £6.9m)
- Adjusted EBITDA** up 57% to £1.9m (2017: £1.2m)
- Adjusted EBITDA** excluding central costs up 66% to £2.2m (2017: £1.3m)
- Adjusted profit after tax*** up 54% to £1.8m (2017: £1.2m)
- Earnings per share of 3.4p up from 2.5p (based on total shares in issue at Admission)
- Cash at bank increased 14% to £4.0m (2017: £3.2m)

Operational highlights

- Significant growth in number of customers with 90 customers billed in the six month period to 30 September 2018 compared with 114 customers billed in the 15 months to 31 March 2018
- 41% of customers billed in the six months to 30 September 2018 were also billed in 2016 and 2017 demonstrating the long standing relationships that the Group is building
- Government sector work grew by 250% and has increased from 13% of total revenue in the 15 month period to 31 March 2018 to 28% in the 6 month period to 30 September 2018 highlighting the strength of growth in that sector

Post-period highlights

- Completion of the IPO and an oversubscribed fundraise raising £5m in new equity for the Group
- Completion of the acquisitions of Manifesto Digital Limited, Not Binary Limited, Questers Global Group Limited and Bene Agere Norden AS ("Acquisitions") at IPO
- Subsequent completion of the acquisition of Deeson Group Holdings Limited on 17 December 2018 for an initial consideration of £1.35m in shares

**All figures are reported proforma and on the same basis as in Panoply's recent Admission Document (see note 1)*
*** Adjusted EBITDA is a non-IFRS measure that the Company uses to measure its performance and is defined as earnings before interest, taxation, depreciation and amortisation and after add back of exceptional items related to the IPO and acquisitions made by the Group*
**** Adjusted profit before tax includes an add back in respect of exceptional items related to the IPO and acquisitions made by the Group*

Neal Gandhi, Chief Executive Officer, commented:

"4 December 2018 was a seminal moment for The Panoply as we achieved our goal of listing on AIM. I would like to thank the founders and staff of the four pre-IPO companies who chose to come on our journey with us and for allowing us to create the platform that we now have. Although the four companies recently acquired only became legally part of the Group on the day of the IPO, the companies have been working together for around 18 months, so the strong results reported here are, at least in part as a result of that collaboration, as well as their own organic growth.

We are pleased to have seen the number of customers we work with continue to grow, a strong leading indicator. Alongside this, a large proportion of our customers billed in the six months to 30 September 2018 we have also worked with for the previous two years, demonstrating client longevity. All three of the sectors we work with, commercial, Government and NGOs, have grown, driven by our outcomes-based agile approach.

On 17 December 2018, we completed the acquisition of Deeson Group Holdings Limited ("Deeson"), a digital agency specialising in high profile content-managed web sites and digital products. The acquisition is expected to be immediately earnings enhancing and is early evidence of our ability to execute on our strategy of acquiring complementary companies in order to grow our capabilities. We are excited about the future and our ability to continue to grow. We look forward to continuing to deliver excellent outcomes for clients at a pace and price they expect to pay."

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About The Panoply

The Panoply is a digitally native technology services company, built to service clients' digital transformation needs. Founded in 2016, with the aim of identifying and acquiring best-of-breed specialist information technology and innovation consulting businesses across Europe, the Group collaborates with its clients to deliver the technology outcomes they're looking for at the pace that they expect and demand.

www.thepanoply.com

Chief Executive's Review

I am pleased to be able to report our interim results for the Panoply Group which relate to the period before we became a public company.

Performance against growth strategy: acquisitions

Following our Admission to trading on AIM on 4 December 2018 and the resulting completion of our target acquisitions, alongside the acquisition of Deeson announced this week, the Group now comprises:

- TPX Bene Agere: an Oslo-based strategy and management consultancy;
- TPX Manifesto Digital: an award-winning London-based digital experience agency;
- Deeson: a leading digital agency, intended to rebrand as TPX Manifesto in the coming months;
- TPX Not Binary: an award-winning London-based IT consultancy focused on digital transformation; and
- TPX Questers: an award-winning provider of onshore and nearshore agile software development services

Combined revenues (excluding Deeson) for the six months to 30 September 2018 of £10.1m represented an increase of 48% over the corresponding period last year on a pro-forma basis. Adjusted EBITDA was particularly strong at £1.9m, an increase of £0.7m driven by organic growth.

Performance against growth strategy: The Panoply multiplier effect

Whilst the four initial acquisitions were only completed on 4 December 2018, the businesses had already been working in tandem and with the ethos of The Panoply for a number of months. These half-year results reflect, in part, those combined efforts and demonstrate the success of the unified Group as well as the validity of our business model.

The Group significantly increased customer count with 90 customers billed in the six months to 30 September 2018 compared with 114 customers billed in the 15 months to 31 March 2018. 41% of customers billed in the six months to 30 September 2018 were billed in 2016 and 2017 demonstrating our longevity within strategic clients.

The results have been driven across the Group but with a particular increase in work in the public sector, and important new client wins including work streams that the individual companies do not believe they would have secured without being part of the wider offering. This includes a new brief with the DVLA which now represents the Group's largest single client, with work commencing in the second half of the financial year. We have also secured further new client wins, including Seatgeek, News International and Christian AID which we expect to deliver additional revenue in the second half of the year and also support our longer-term growth.

The quality of our work continues to be recognised with TPX Manifesto recently winning agency of the year at the 2018 Drum awards and TPX Not Binary being recognised earlier in the year by winning a WCIT award.

Admission to AIM

The Group's IPO was clearly a seminal moment, as it led to the formation of The Panoply and gives us the financial strength and stability to grow our business. It provides us with the necessary working capital to invest in each of the business units as well as providing an equity base to achieve our acquisition ambitions. The IPO took place during particularly volatile market conditions and I would like to thank our new shareholders for their support and for sharing our confidence in the Group's prospects.

Outlook

As we enter the second half of the year the business has considerable momentum. The acquisition of Deeson provides a first earnings enhancing acquisition for the Group post-IPO. The Board continues to evaluate further acquisitions.

The Directors are encouraged by the strong year on year growth and are confident of meeting full year expectations. Following completion of the IPO and the acquisitions, The Panoply has put in place a Board and central team to provide strong governance and that can continue to build the Group through both organic and acquisitive growth. The investment in the central team is expected to reduce the Group's net operating margin but the group is well operationally geared to execute of future growth plans and the overall impact of central overhead will reduce as we scale. The Group will remain profitable and cash generative during this period.

The Panoply's goal is to create a leading digitally native technology services company across Europe. The IPO provides the platform for this and we are operating in a fast growing market where clients are looking to digitally transform their businesses for the automation age.

Financial review

The financial information set out in this announcement has been prepared on the basis that the Acquisitions completed on IPO were recognised as part of the Group for the entire period and the entire comparative periods, albeit the entities were not under the control of the Company during this time.

The Group has seen significant growth in year on year revenue, which has resulted in strong growth in Adjusted EBITDA and profit after tax.

There has been revenue growth in all five of our service lines. Currently our three largest service lines are Experience, XaaS and Transformation, which accounted for 97% of revenue in the 6 month period to 30 September 2018.

Our emerging service lines in Automation and Intelligence are areas where we intend to invest over the coming 12 months and we hope to see growth in these as we move forward.

Cash remained strong at the end of the period. Following the IPO a significant portion of the cash on the subsidiary company's balance sheets was paid to the vendors under the terms of the Acquisitions but this was replenished with the proceeds of the oversubscribed placing (raising £5m of gross proceeds). The Group remains cash generative and has no debt.

Trading post-period end has continued to be strong and we are trading in line with our expectations. As a result of the expected growth in EBITDA of the businesses acquired at the IPO, and as set out in the Group's Admission Document, we anticipate that there will be significant further earn out consideration to be issued in respect of the Acquisitions. Any consideration will be satisfied in shares over a 24 month period at the higher of the market price or 74p (being the placing price at the time of the IPO).

It should be noted that revenue in Norway in the six months to 30 September 2018 reduced compared with the earlier period which benefited from a major one off contract with Digital Norway in 2017. However that engagement has positioned the Group at the forefront of digital transformation in the region and we anticipate will help the Group to scale in the region as a consequence.

Summary of The Panoply's services

Experience – using customer-centered insight in the design and creation of digital products and services centered on the needs of the people that use them. Helping organisations plan and improve the experience of their customers and initiating the projects and programmes that will transform this at scale.

Intelligence – enabling intelligent business through helping organisations to gather, analyse, interpret and make decisions based on their data. From straightforward business intelligence and management information through to machine learning, artificial intelligence and predictive and prescriptive analysis.

XaaS – providing access to the talent, platforms and methodologies that allow organisations to scale innovation and realise efficiency, repeatability and reliability in their core operations. Underpinned by several key technology partnerships such as Amazon Web Services, Microsoft Azure, Google Cloud Platform and Digital Experience Management with Acquia.

Transformation – partnering with organisations to help them increase their digital maturity and become truly digital businesses. This can involve the replacement of large platforms, the introduction of new working methodologies and the complete reinvention of products services and business models. The

Panoply may help organisations with aspects of their transformation or partner with them for aspects of it.

Automation – The Panoply's automation services seek to enable business growth through the use of data in marketing to enable automated decision-making for communications and to drive efficiency through the mapping and automating of existing processes. In marketing, automation technology is used to interpret large volumes of data and deliver highly targeted communications across multiple channels, mapping data to customer segments based on previous interactions. Complex multi-faceted journeys can be managed through mapping the customer experience and linking this to these automated journeys. Using Robotic Process Automation (RPA) existing business processes can be automated using a digital workforce freeing up staff from highly repetitive tasks.

Neal Gandhi

Chief Executive Officer

Combined Statement of comprehensive income

Six months ended 30 September 2018

	Notes	**6 months to 30 September 2018 Unaudited £'000**	6 months to 30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000
Revenue	2	**10,130**	6,858	18,488
Cost of sales		**(6,341)**	(4,282)	(11,771)
Gross profit		**3,789**	2,576	6,717
Administrative costs		**(1,918)**	(1,403)	(3,489)
Other income		**58**	53	103
Adjusted EBITDA	2	**1,929**	1,226	3,331
Depreciation		**(51)**	(44)	(123)
Costs directly attributable to the business combination		**(551)**	(37)	(527)
Other exceptional items		**-**	-	(307)
Operating profit		**1,327**	1,145	2,374
Finance income		**7**	6	12
Finance costs		**(5)**	(6)	(2)
Net finance costs		**2**	-	10
Profit before tax		**1,329**	1,145	2,384
Taxation		**54**	(142)	(383)
Profit for the period		**1,383**	1,003	2,001
Items that may subsequently be transferred to profit and loss				
Exchange differences on translation of foreign operations		**67**	(1)	(132)
		1,459	1,002	1,869
Earnings per share (adjusted)				
Basic (pence)	3	**3.4**	2.5	4.9

Combined Statement of financial position

As at 30 September 2018

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	31 March 2018 Audited £'000
ASSETS			
Non-current assets			
Property, plant and equipment	**264**	303	295
Intangible assets	**20**	18	20
	284	321	315
Current assets			
Trade and other receivables	**4,083**	2,282	2,962
Inventory	**3**	1	5
Cash and cash equivalents	**3,960**	3,203	3,462
	8,046	5,486	6,429
Total assets	**8,330**	5,807	6,744
EQUITY AND LIABILITIES			
EQUITY			
Issued share capital	**-**	-	-
Share premium	**1,130**	490	490
Foreign Exchange Reserve	**23**	(3)	(44)
Other reserves	**192**	125	192
Retained earnings	**4,136**	2,896	2,918
Total equity	**5,481**	3,508	3,556
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	**9**	42	9
Total non-current liabilities	**9**	42	9
Current liabilities			
Trade and other payables	**1,698**	1,057	1,870
Current tax liabilities	**1,142**	1,200	1,309
Total current liabilities	**2,840**	2,257	3,179
Total liabilities	**2,849**	2,299	3,188
Total equity and liabilities	**8,330**	5,807	6,744

Combined Statement of cash flow

As at 30 September 2018

	6 months to 30 September 2018 Unaudited	6 months to 30 September 2017 Unaudited	15 months to 31 March 2018
	£'000	£'000	£'000
Cash flows from operating activities:			
Profit before tax	**1,329**	1,145	2,384
Depreciation of property, plant and equipment	**51**	44	123
Profit on disposal of property, plant and equipment	**-**	-	6
Share based payments	**-**	-	9
Foreign exchange losses/(gains)	**161**	(12)	(126)
Finance income	**(7)**	(6)	(12)
Finance expense	**5**	6	(2)
	1,539	1,177	2,382
Working capital adjustments			
Increase in trade and other receivables	**(1,122)**	(259)	(710)
Decrease/(increase) in trade and other payables	**(340)**	448	1,054
Decrease/(increase) in inventory	**2**	1	(3)
	(1,460)	190	341
Tax paid	**(39)**	(49)	(36)
Net cash generated from operating activities	**40**	1,318	2,687
Cash flows from investing activities:			
Interest received	**7**	6	12
Additions to property, plant and equipment	**(19)**	(18)	(80)
Net cash used in investing activities	**(12)**	(12)	(68)
Net cash used from financing activities			
Issue of ordinary share capital net of issue costs	**640**	490	490
Movement in other reserves	**-**	-	132
Dividends paid to former owners of acquired subsidiaries	**(165)**	(618)	(1,375)
Net interest paid	**(5)**	(6)	2
Net cash generated from/ (used) in financing activities	**470**	(134)	(751)
Net increase in cash and cash equivalents	**498**	1,172	1,868
Cash and cash equivalents at beginning of the period	**3,462**	2,031	1,594
Cash and cash equivalents at end of the period	**3,960**	3,203	3,462

1. Basis of preparation

The Acquisition Subsidiaries comprise:

- Bene Agere Norden AS - incorporated in Norway on 27 June 2012.
- Manifesto Digital Limited – incorporated in England and Wales on 19 December 2011.
- Not Binary Limited – incorporated in England and Wales on 23 March 2017.
- Questers Global Group Limited - incorporated in England and Wales on 22 June 2012.

The Panoply Holdings PLC ("the Company") entered into share purchase agreements to acquire the entire share capital of the Acquisition Subsidiaries. The agreements were conditional upon Admission of the Company's shares to trading on AIM and as a result completed on the day of the Company's IPO on 4 December 2018. The consideration was paid by way of shares in the Company and cash.

The Combined historical financial information has been prepared on the basis that the Acquisition Subsidiaries were recognised as part of the Group for the entire period since their respective dates of incorporation, albeit that the entities were not under the control of the Company during this time. Accordingly, no share capital and individual reserves have been shown for the Acquisition Subsidiaries and the aggregate share capital and share premium attributable to the Acquisition Subsidiaries has been disclosed as other reserves. No adjustment has been made for the consideration paid since 30 September 2018 for the acquisitions, the fair value of the assets and liabilities to be acquired, goodwill or other intangible assets arising.

The Combined historical financial information does not include any information in respect of the Deeson Group Holdings Limited business acquired on 17 December 2018.

The Combined historical financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRS Interpretations Committee (IFRIC) interpretations except for IFRS 3 "Business Combinations" and IFRS 10 "Consolidated Financial Statements" in relation to the accounting for the acquisition and consolidation of the subsidiaries which will be required in the annual accounts for the period to 31 March 2019. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and IFRIC and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 March 2019.

The Group has chosen not to adopt IAS 34 – Interim Financial Statements, in preparing the Combined historical financial information.

The Group has adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts from Customers" which are new standards applicable mandatory for the period ending 31 March 2019. The Group has not as yet adopted IFRS 16 "Leases" which is a new standard applicable mandatory for periods beginning 1 January 2019 and are currently assessing the financial impact to the Group.

The Group has calculated the adjusted basic earnings per share based on the number of shares in issue at the date of Admission on the AIM market.

Non-Statutory accounts

The financial information set out in this interim report does not constitute the Group's statutory accounts, within the meaning of Section 434 of the Companies Act 2006. The statutory accounts of the Company for the period ended 31 March 2018 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis.

The financial information for the six months ended 30 September 2018 and 30 September 2017 is unaudited.

2. Service Line Reporting

The Board of Directors considers the business from a services perspective. Management separately considers services split between Experience, XaaS, Intelligence, Transformation and Automation. Strategic decisions regarding future investment is based on the split of services and potential growth opportunities.

(i) An analysis of turnover from external customers by geographical market is given below:

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000
United Kingdom	**8,210**	5,153	14,574
EU	**116**	219	71
Norway	**1,090**	1,138	2,893
Other	**714**	348	950
Total Revenue	**10,130**	6,858	18,488

(ii) An analysis of turnover from external customers by sectors is given below:

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000
Commercial	**5,519**	4,955	12,720
Government	**2,843**	805	2,443
NGO	**1,768**	1,098	3,325
Total Revenue	**10,130**	6,858	18,488

(iii) An analysis of turnover by segments is shown below:

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000

Experience	**2,342**	2,046	4,681
XaaS	**3,408**	2,781	7,096
Transformation	**4,095**	2,031	6,204
All other segments	**285**	-	507
Total Revenue	**10,130**	6,858	18,488

Total Adjusted EBITDA

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000
Experience	**689**	406	1,163
XaaS	**459**	297	814
Transformation	**977**	603	1,515
All other segments	**(197)**	(80)	(161)
Total Adjusted EBITDA	**1,929**	1,226	3,331

3. Adjusted earnings per share

	30 September 2018 Unaudited £'000	30 September 2017 Unaudited £'000	15 months to 31 March 2018 Audited £'000
Profit	**1,383**	1,003	2,001
Profit for the purposes of basic and diluted profit per share being net profit attributable to equity shareholders			
Number of shares			
For the purpose of basic profit per share			
Based on number of shares at Admission	**40,601,642**	**40,601,642**	**40,601,642**
Basic earnings per share (p)	**3.4**	2.5	4.9

4. Events after the reporting period

a) Business combinations

The Company entered into share purchase agreements with the sellers of the following companies on the dates noted below:

- Bene Agere Norden AS – SPA entered on 26 April 2018
- Manifesto Digital Limited – SPA entered on 10 May 2018

- Not Binary Limited – SPA entered on 20 April 2018
- Questers Global Group Limited – SPA entered on 11 May 2018

The transactions completed upon Admission of the shares of the Company to trading on AIM on 4 December 2018 and resulted in 18,799,065 Ordinary Shares being issued to the vendors.

On 17 December 2018 the Company entered into a share purchase agreement to acquire Deeson Group Holdings Limited resulting in the issue of a further 1,636,363 Ordinary Shares.

b) Bonus issue of shares

On 16 October 2018 the Company declared a bonus issue of 480 ordinary shares for every 1 ordinary share held at 16 October 2018 increasing the Company's issued ordinary share capital to 5,483,400 Ordinary 1 pence shares. In order to pay-up the nominal value of the ordinary shares issued under the bonus issue, share premium of the Company in an amount equal to £54,720 was used, reducing the share premium account of the Company by the same amount.

c) Gifting and cancellation of shares

On 18 October 2018, Oliver Rigby and Neal Gandhi transferred 192,400 Ordinary Shares and 288,600 Ordinary Shares respectively to the Company for nil consideration. In aggregate 481,000 Ordinary Shares were transferred to the Company. On 18 October 2018 (following the Company's re-registration as a public limited company), the share capital of the Company was decreased from 5,483,400 Ordinary Shares to 5,002,400 Ordinary Shares by the cancellation of 481,000 Ordinary Shares pursuant to section 662 of the Act.

d) Bonus issue of shares

On 23 November 2018 the Company declared a bonus issue of 2 ordinary shares for every 1 ordinary share held at 23 November 2018 increasing the Company's issued ordinary share capital to 15,045,822 Ordinary 1 pence shares. In order to pay-up the nominal value of the ordinary shares issued under the bonus issue, share premium of the Company in an amount equal to £100,305.48 was used, reducing the share premium account of the Company by the same amount.

e) IPO and Placing

On 4 December the Company completed an IPO on AIM and completed a placing to raise gross proceeds of £5m. This resulted in a further issue of 6,756,755 Ordinary Shares. Following completion of the IPO the total number of shares in issue was 40,601,642.

f) Issue of Options

At the time of the IPO, the Company also granted options over 3,927,788 Ordinary Shares. The fully diluted number of Ordinary Shares following Admission was 44,529,430.