Empowering the world of education

Tribal Group plc

Half year results
for the six months
ended 30 June 2022

Tribal Group plc
("Tribal" or "the Group")

Interim Results for the six months ended 30 June 2022 (unaudited)

Tribal (AIM: TRB), a leading provider of software and services to the international education market, is pleased to announce its interim results for the six months ended 30 June 2022.

Results 6 months to 30 June	2022 H1	2021 H1 Reported	2021 H1 Constant Currency[3]	Change Constant Currency[3]	Change % Constant Currency[3]
Revenue	**£42.4m**	£39.3m	£39.4m	£3.0m	7.7%
Adjusted Operating Profit (EBITDA) [2]	**£7.1m**	£9.2m	£9.0m	£(1.9)m	(21.6)%
Adjusted Operating Profit Margin (EBITDA) [2]	**16.7%**	23.3%	22.9%	-	(6.2)pp
Annual Recurring Revenue (ARR) at period end [1] (versus 31 Dec 2021)	**£53.7m**	£50.3m	£51.3m	£2.4m	4.8%
Free Cash Flow [4]	**£(10.0)m**	£0.5m	£0.5m	£(10.5)m	(2183)%
Net (Borrowing)/Cash	**£(4.8)m**	£4.3m	£4.3m	£(9.1)m	(211)%
Statutory Profit after Tax	**£1.6m**	£4.4m	£4.4m	£(2.9)m	(65)%
Statutory Earnings per Share (basic)	**0.7p**	2.1p	2.1p	(1.4)p	(66)%

Operational Highlights

- Continued good sales performance, adding three further Cloud contracts from existing customers, University of Sunderland, Birmingham City University and University for the Creative Arts
- Migration of existing customers to Tribal:Cloud continues to represent a considerable near-term addressable opportunity
- Expansion into new geographies with the signing of a five-year SITS:Vision contract with the British University of Vietnam
- Our largest SIS contract to date, Nanyang Technology University "NTU" provides an exciting platform for expansion into Southeast Asia. However, delivery has been impacted by an extension of timelines partly as a result of earlier Covid-19 related travel restrictions, with implementation continuing into 2023. This has had a short term but significant detrimental impact to both EBITDA and working capital during 2022.
- Successful renewal of two existing UK Government contracts within Education Services, the Advanced Maths Support Programme "AMSP" and The National Centre for Excellence in the Teaching of Mathematics "NCETM" both for a two year term
- Continued investment in our offering, people and operations, to capitalise on the growing activity within the education market, including £5.4m investment in Edge product development

Financial Performance (constant currency)

- Annual Recurring Revenue (ARR) of £53.7m, an increase of 4.8% since year end providing a clear pathway for future profitable growth. Main ARR growth coming from sales of Tribal:Cloud and Edge
- Group Revenue up 7.7% to £42.4m reflecting a solid performance across the business, especially our Cloud and Edge offerings and professional services
- Cloud Services revenue saw a large increase of 32% to £4.1m as customers continue to migrate to Tribal:Cloud and Edge increased significantly to £2.3m
- Continued recovery of Education Services following Covid-19 with stable revenue of £6.9m and improved operating margin up 35.8% to £1.7m
- EBITDA down by 21.6% to £7.1m mainly due to increased costs associated with the implementation phase of the NTU contract

TRIBAL

- Net borrowing of £4.8m mainly due to EBITDA and working capital impacts from delayed delivery on our NTU contract, as cash becomes payable on meeting project milestones. Management anticipates an improved cash position by year end, although a net debt position is still expected. The extent of the improvement is dependent on the timing of project milestones.
- Committed Income (Order Book) increased 5.6% to £186.5m

Outlook

- While cognisant of inflationary cost pressures, with an expanding customer base, advanced service offering and continued contract and ARR momentum, the Board remains confident in delivering results for 2022 in line with current Board expectations. However, margin recovery in the second half of the year is dependent on project delivery milestones on the NTU contract.
- The Board expects revenue growth in the Group's strategic products to continue to increase over time, although this will be partially offset in the next couple of years by declining revenues from Tribal's higher margin, historic contracts.
- The Board remains confident in the strategy and outlook for the Group and sees increasing proof that the education market globally is becoming more attuned to the benefits of SaaS and cloud offerings.

[1] Annual Recurring Revenue (ARR) at period end includes Support & Maintenance fees, Cloud Services and Subscription Licence and is assessed as contracted ARR at 30 June 2022 and 31 December 2021, of which is still to be delivered.

[2] Adjusted Operating Profit (EBITDA) and Adjusted Operating Margin is in respect of continuing operations and exclude charges reported in 'Other items' of £2.5m (2021 H1: £2.0m), refer to note 6 in this report, and before Interest, Tax, Depreciation and Amortisation.

[3] 2021 H1 results restated to "constant currency" using 2022 rates to exclude foreign currency impact

[4] Free cash flow is calculated as cash generated before dividends, interest and finance charges, deferred consideration, and investments in subsidiaries. In prior years' free cash flow was calculated based on net cash from operating activities less capital expenditure and less capitalised development costs (excluding acquired intellectual property), the prior period comparative has been restated to reflect the change in definition.

Mark Pickett, Tribal's CEO, commented: "We continued to successfully execute against our growth strategy in the first half of the year, transitioning our existing customers to the cloud while securing new customers in our key geographies. Education Services also performed extremely well during the first half and we expect this trend to continue. EBITDA, while lower in the period than the prior year, due to a short-term impact from a major customer implementation, is expected to recover in the second half."

"We are seeing growing evidence of our customer base wishing to transition to Tribal:Cloud, which represents a significant addressable opportunity for Tribal, alongside our existing Edge modules which are providing a growing revenue contribution to the Group."

"Overall, the picture for Tribal remains positive, with an expanding customer base, advanced service offering and continued contract and ARR momentum."

For further information, please contact:

Tribal Group plc	Tel: +44 (0) 117 311 5293
Mark Pickett, Chief Executive Officer	
Diane McIntyre, Chief Financial Officer & Company Secretary	
Investec Bank plc (NOMAD & Joint Broker)	Tel: +44 (0) 20 7597 5970
Sara Hale, Virginia Bull, Will Godfrey	
Singer Capital Markets Limited (Joint Broker)	Tel: +44 (0) 20 7496 3000
Shaun Dobson, Tom Salvesen, Alex Bond	
Alma PR	Tel: +44 (0) 203 405 0205
Caroline Forde, Hannah Campbell	

About Tribal Group plc

Tribal Group plc is a pioneering world-leader of education software and services. Its portfolio includes Student Information Systems; a broad range of education services covering quality assurance, peer review, benchmarking and improvement; and student surveys that provide the leading global benchmarks for student experience. Working with Higher Education, Further and Tertiary Education, schools, Government and State bodies, training providers and employers, in over 55 countries; Tribal Group's mission is to empower the world of education with products and services that underpin student success.

Chief Executive's Review

Introduction

We achieved a positive top line performance in the first half, successfully navigating the transition of the business to higher quality, recurring revenues from our newer software offerings, generating an overall increase in ARR by 5% to £53.7m (2021 FY: £51.3m).

We achieved a good sales performance in the first six months of the year, added new customers across our range of software in key geographies and secured three new contracts to migrate customers to Tribal:Cloud. As previously announced, EBITDA in the period is lower than the prior year due primarily to increased costs associated with a major customer implementation, however EBITDA performance is expected to recover through the course of the second half reflecting the Group's continued focus on improved operational performance. Education Services performed well during the period across all key geographies, particularly in the UK where we secured all three of the largest contracts out for tender in the quality assurance services market, two of which were renewals of existing contracts.

We remain on track to take our early adopter Admissions customers live from H2 onwards. We also continue to develop new customer relationships globally and look for complementary partnerships and acquisitions, to accelerate our expansion.

We have continued to carefully invest in our people and operations to deliver on our growing customer footprint across the globe as we evolve our operational model to ensure service levels are maintained for long term profitable growth. While cognisant of the growing inflationary pressures, these have been successfully navigated to date.

Market, Strategy and Addressable opportunity

The education market globally is becoming more attuned to the benefits of SaaS and cloud offerings which present a supportive market backdrop for the business. Student wellbeing, engagement, recruitment and hybrid learning are all factors driving universities to consider how best to modernise their Student Information Systems (SIS) and embrace digital transformation. It is becoming increasingly clear that for many universities, the first step is to transition their existing SIS into the cloud, such that they can reduce their in-house IT requirements and benefit from the enhanced user experience and computing power the cloud can provide.

Given the generally slow-moving nature of the higher education market, we anticipate this first step of moving to the cloud will likely be the main area of focus for our customers for the next three to five years, before then expanding into a greater number of next-generation, cloud native applications. We see significant opportunities for our SITS:Vision and Edge products in the next few years, particularly in South East Asia. In light of the size of the opportunity from the combined sales of Edge and SITS:Vision, it provides the opportunity to review the timing of the market requirements and our Edge development roadmap. The Group is committed to product innovation and supporting our customers in their journey to the cloud.

Approximately 20% of our customer base have bought Tribal:Cloud, 70% of which relate to new customers. The remaining 30% have taken the step of transitioning their existing SITS:Vision system into Tribal:Cloud. With each customer transition ultimately presenting at least a 50% uplift to ARR, while delivering overall cost-savings to the customers, we believe this transition alone presents a considerable near-term addressable opportunity for Tribal.

Operations and people

We are continually evolving our people agenda to enhance the Group’s growth and transformation as a business.

Our agenda is focused on fuelling performance with a clear alignment to our Group objectives, as we rely on the talent and expertise of our people for the business to succeed. We want to ensure each employee has the clarity of purpose, motivation, support, and recognition to execute on our objectives.

Our evolving operational model is built upon our increasing focus on customer success and alignment to Tribal’s ‘as-a-service’ transition. In the first half, this has included the introduction of three new executive roles focusing on Service

Delivery and Customer Success. Paul Davies has been appointed as Professional Services director and Tawfiq Sleett as a Customer Services director. Both bring a wealth of experience from global SaaS providers and are focused on improving customer success. The Tribal Education Services team comprises experts in education, quality assurance and programme management and has been reinvigorated with the appointment of Matt Davis, the new Managing Director of the division, in March 2022. Matt brings over 20 years' experience in the education sector, a decade of which was spent as regional director of the Education Development Trust, responsible for the strategy and commercial growth of its UK business.

All three have been appointed to the executive Board, freeing up the time of other employees to focus on sales execution. The new target operating model is also now being supported by the implementation of new SaaS financial systems and processes.

We continue to invest in our people, providing them with the tools and training to support and allow them to realise their potential, with clear alignment to our Group objectives. Communication with our people and maintaining wellbeing is crucial, especially as we continue to feel the impact of the pandemic. We have focused on supporting all aspects of our people's health and wellbeing providing ongoing and additional support through our Employee Assistance Programme.

Student Information Systems (SIS)

Student Information Systems, our core segment which targets the further and higher education sectors through our range of software offerings, continued to deliver a positive performance in the first half, growing customer numbers and revenue. We continued to win new customers and transition existing customers onto our cloud offerings.

During the period, we signed three further Cloud contracts for existing customers, University of Sunderland, Birmingham City University and University for the Creative Arts, to migrate their current Tribal Student Management Systems SITS:Vision to the Tribal:Cloud, providing an improved student experience and delivering operational efficiencies for the universities. The contracts range from three to five years, with a combined total contract value of £5m, generating incremental annual recurring revenues of £0.9m as well as providing an adoption pathway to Tribal Edge, the Company's cloud native offerings.

In addition, we signed a new five year SITS:Vision contract with the British University of Vietnam with a total contract value of £1.7m and £0.2m incremental annual recurring revenues. We continue to have positive conversations across our extensive customer base as they explore the benefits a move to the cloud can bring their organisation and are confident of continued uptake.

Our largest SITS deal to date, worth approximately £17m over eight years, with Nanyang Technology University "NTU" launched in early 2021 and implementation has continued during the first half of the new year and is expected to continue into 2023. This is a partnership encompassing SITS:Vision, Tribal:Cloud and Edge products, which demonstrates the relevance of our broad suite of leading solutions. Due to earlier Covid-19 related travel restrictions, the timelines for this contract increased which in turn increased costs and as a result EBITDA in H1 was lower than the prior year. However, EBITDA performance is expected to recover through the course of the second half, reflecting the Group's continued focus on improved operational performance.

With a significant number of large contract opportunities expected to come to market over the coming years, we believe the experience we have gained from this implementation, our knowledge of local market requirements and localised product set will provide us with a strong platform from which to target growth in South East Asia.

We were pleased to complete the acquisitions of Semestry and MyTimetable in April and November 2021, respectively and we are happy with the progress of the integration. Since acquisition, Semestry has secured 16 new customers, growing Semestry ARR by 59% since 31 December 2021, representing an acceleration of its historic growth rate. The products can be sold across our extensive customer base, as universities seek to increase engagement with their students and offer more personalised experiences. Whilst we continue to explore investment opportunities to scale the business and enter new geographies, we are focusing on consolidating the Semestry and My Timetable acquisitions in the short term.

As part of our five-year objectives, we are focused on transitioning our existing customers to the cloud while securing new customers in key geographies and these recent wins are a clear demonstration of our ability to execute effectively against our plan.

We are pleased with these positive signs of potential and although it will take time for full adoption of our solutions by our customers due to the annual cycle of the academic year, we remain confident in the significant long-term opportunities.

Education Services (ES)

Tribal Education Services has been delivering Quality Assurance services to ministries of education and other education agencies around the world for many years, in many varied areas of education, such as overall school quality, leadership and teaching quality, and in many specialist areas such as new teacher competence, Early Years, literacy and numeracy.

Education Services trading performance improved throughout the period, as many geographies move into a post pandemic world. We are currently delivering major Quality Assurance contracts to bodies in the UK, US and the Middle East, and working with hundreds of individual schools on our Quality Mark accreditation. At present, Tribal is running highly successful projects across its key geographies, which are as varied as the National Centre for Excellence in Teaching Mathematics “NCETM” for the Department of Education in England, support for a government in the Gulf to establish a Sector Skills organisation, as well as review and improve support for all of the schools in New York State.

In the UK, we successfully tendered for renewals as prime contractor of two major contracts with the Department for Education in England: NCETM (£8.7m over 2 years) and Quality Assurance of the National Professional Qualifications programme “NPQ”, total contract value of £6.5m over 4 years. In July 2022 we successfully renewed a third major UK contract, the Advanced Maths Support Programme “AMSP” total contract value of £2.6m and won a two-year contract with the National Tutoring Programme “NTP” total contract value of £2.4m securing our position with our key customer in the UK services market. There is a strong pipeline of opportunities heading into H2; we expect performance to continue to improve.

School closures in the US continued to hamper business development opportunities. The New York State Education Department (NYSED) contract had a solid performance as we worked closely with NYSED to ensure continued delivery despite the restrictions from the pandemic. In the Middle East our core areas of expertise remain well aligned to customer priorities and we see a good pipeline of opportunities in H2 and beyond.

Environmental, Social and Governance (ESG)

Tribal is committed to activities that benefit the environment and society, underpinned by good governance. At the end of 2021, the ESG Committee identified six priority focus areas for the Group, each with key initiatives and objectives for 2022 and appropriate ownership from across our Executive Management Team.

Our focus throughout the remainder of 2022 is to work within the Group’s risk management framework and using the Taskforce on Climate-related Financial Disclosure (TCFD) scenario-based risk and opportunity assessment criteria, identify risks and opportunities presented by climate change. We will complete a thorough impact assessment of risk and opportunities relating to the transition to a lower-carbon economy and implement mitigating actions and applicable recommendations of TCFD in each of the four thematic areas; governance, strategy, risk management and targets and metrics.

The Group have maintained the ISO27001 Standard for Information Security and the ISO9001 Standard for Quality Management and have expanded our ISO scope for our most recent acquisition of Semestry, in April 2021.

The next phase of our ESG journey is to critically consider what is most important for our business and how our ESG efforts can align with the commercial context, enable the achievement of organisational goals and provide a source of competitive advantage.

Outlook

We have enjoyed a period of good progress as we continue to execute against our growth strategy, transitioning our existing customers to the cloud while securing new customers in our key geographies. While we have experienced a temporary reduction in EBITDA performance in the period, due to a short-term impact from a major customer implementation, overall, the picture for the business remains positive, with an expanding customer base, advanced service offering and continued contract and ARR momentum. While cognisant of inflationary cost pressures, the Board remains confident in delivering results for 2022 in line with current Board expectations, however margin recovery in the second half of the year is dependent on project delivery milestones on the NTU contract.

We expect revenue growth in our strategic products with improving margins over time as we gain scale. As previously reported, this will be partially offset in the next couple of years by declining revenues from our high margin, historic Australian government contracts and non-core schools' systems contracts. With a clear strategy in place and increasing proof that the education market globally is becoming more attuned to the benefits of SaaS and cloud offerings, we look to the future with confidence.

Mark Pickett

Chief Executive Officer

Business Review

Financial review

Results 6 months to 30 June £m	2022 H1	2021 H1 Reported	2021 Constant Currency	Change Constant Currency	Change Constant Currency %
Revenue	**42.4**	39.3	39.4	3.0	7.7%
Student Information Systems	**35.5**	32.6	32.5	2.9	9.0%
Education Services	**6.9**	6.7	6.8	0.1	1.6%
Adjusted Operating Profit (before Central Overheads)[1]	**13.0**	14.7	14.5	(1.5)	(10.3)%
Student Information Systems	**11.3**	13.3	13.2	(1.9)	(14.7)%
Education Services	**1.7**	1.4	1.3	0.4	35.8%
Central Overheads[2]	**(5.9)**	(5.5)	(5.5)	(0.4)	(8.2)%
Adjusted Operating Profit (EBITDA) [1]	**7.1**	9.2	9.0	(1.9)	(21.6)%
Adjusted Operating Margin (EBITDA) [1]	**16.7%**	23.3%	22.9%	-	(6.2)pp

1 Adjusted Operating Profit and Adjusted Operating Margin is in respect of continuing operations and exclude charges reported in 'Other items' of £2.5m (2021 H1: £2.0m), refer to note 6 in this report, and before Interest, Tax, Depreciation and Amortisation.
2. Central overheads are made up of costs that are not directly attributable to either Student Information Systems or Education Services.

Nearly 40% of Tribal's income is generated outside the UK and is therefore subject to foreign exchange movement. Overall, there was a favourable impact on last year's results due to foreign exchange fluctuations of £0.1m in Revenue and an adverse impact of £0.2m in Adjusted Operating Profit, due to the Group's exposure to foreign exchange movements, in particular the Australian dollar, US dollar and Singapore dollar.

The Revenue and Adjusted Operating Profit by segment in the table shows the reported results for 2022 H1 and 2021 H1, and the 2021 H1 results restated to "constant currency" using 2022 rates to exclude foreign currency impact. The growth percentages shown are on the 2021 constant currency numbers. All comparatives reported below are on a constant currency basis.

Revenue in the six months ended 30 June 2022 was up 7.7% to £42.4m (2021 H1: £39.4m).

Student Information Systems continued to perform well, increasing by 9% to £35.5m (2021 H1: £32.5m).

Core revenue increased 13.8% to £30.2m (2021 H1: £26.5m).
Foundation Software grew 30% to £3.4m (2021 H1: £2.6m) because of new customer wins and upsells across all our Foundation products. This was offset by a reduction in our Foundation Support & Maintenance revenue which decreased 1% to £12.7m (2021 H1: £12.9m) as the contractual uplifts were offset with the exit of one of the two Callista customers as expected. At the end of 2021 nine of the eleven Callista customers renewed for a further five-year term, the second exit is expected to occur in H2 2022.

Cloud Services saw a large increase of 32% to £4.1m (2021 H1: £3.1m) as customers continue to migrate to Tribal: Cloud and Edge increased significantly to £2.3m (2021 H1: £1.4m), 33% of the growth is organic and the remaining 67% is due to the successful acquisition of Semestry in April 2021.

Professional Services revenue increased 18% to £7.7m (2021 H1: £6.5m) primarily due to delivery on the NTU contract compared to H1 2021.

Other Software and Services revenue decreased 12.2% to £5.3m (2021 H1: £6.0m) due to continued Australian SchoolEdge churn in addition to the previously announced planned reduction in development work on the Technical and Further Education colleges New South Wales, “TAFE NSW” contract. The TAFEs transition to their new provider is expected to conclude during the second half of 2023 at which point no further revenue will be generated, TAFE’s contribution to the Group’s annual recurring revenue totals £3m.

Consistent with the 2021 annual report, 2021 reported numbers now include revenue and costs of Asset Management, Software Solutions and Information Managed Services, which were previously in Education Services, as it aligns more closely to the Software segment, of which revenue was 2021 H1: £1.4m constant currency and reported, and associated operating margin was 2021: £1.3m constant currency and reported. Refer to 31 December 2021 Annual Report for additional detail on the changes to our revenue streams.

Education Services increased by 1.6% to £6.9m (2021 H1: £6.8m).
School Inspections and Related Services revenue increased to £5.7m (2021 H1: £5.5m) as the main UK contracts continued to track well, in particular the National Professional Qualifications “NPQ” contract delivery improved in H1 2022 as a result of the phasing in prior years and the delivery of the Skills Bahrain contract which started in July 2021.

Surveys and Data Analytics revenue decreased to £1.2m (2021 H1: £1.3m). The revenues for Surveys are reduced, as expected, due to the seasonality of the Southern Hemisphere International Student Barometer with most institutions participating every other year.

SaaS Metrics
We introduced some key revenue metrics as at 31 December 2021 to measure progress as the Group continues its transition to a SaaS delivery model. Both GRR and NRR remained consistent with the previous half year period.

£m	2022 H1	2021 H1 Constant Currency	Change Constant Currency	Change Constant Currency %
Annual Recurring Revenue (ARR)[1]	**£53.7m**	£51.3m	£2.4m	4.8%
Gross Revenue Retention (GRR)[2]	**95%**	95%	-	-
Net Revenue Retention (NRR)[3]	**100%**	101%	(1)%	(1)pp

1. ARR is a forward-looking metric representing committed revenues as at 30 June 2022 and includes Support & Maintenance fees paid on all software, License sold on a subscription basis, Cloud services and Edge sales.
2.Calculated as a percentage of recurring revenue retained from existing customers at 1 January including contract expiry, cancellations or downgrades in the year
3. Calculated as a percentage of recurring revenue retained from existing customers at 1 January including upsells as well as contract expiry, cancellations or downgrades in the year

Adjusted Operating Profit (EBITDA) decreased by 21.6% to £7.1m (2021 H1: £9.0m) and Adjusted Operating Margin decreased to 16.7% (2021 H1: 22.9%).

Student Information Systems Adjusted Operating Profit decreased to £11.3m (2021 H1: £13.2m) and Adjusted Operating Margin decreased to 31.8% (2021 H1: 40.7%).

The decrease in operating profit and margin is twofold. A direct result of a change in product mix, with increased Edge and Cloud sales which have a lower initial margin whilst we continue to invest in our teams to build scale in our service offerings. A programme of operational cost improvements within our Cloud environments is underway for delivery throughout the second half of the year. This is coupled with lower-than-normal margins on Professional Services as a result of lower implementation margins from the NTU contract and increased use of contractors.

Education Services Adjusted Operating Profit increased to £1.7m (2021 H1: £1.3m) and Adjusted Operating Margin increased to 24.5% (2021 H1: 18.3%), this increase is largely due to the variable cost model it operates and the mix of higher margin contracts and continued remote delivery.

Central overheads, representing costs in HR, IT, Finance, Marketing and Management that are not directly attributable to lines of business increased 8.2% to £5.9m (2021 H1: £5.5m). The increase was largely due to unfavourable foreign exchange movements and higher global insurance costs in line with market trends. The Group continues to focus on reducing overhead costs and continues to identify cost saving measures to effectively manage its cost base.

Statutory Profit After Tax was £1.6m (2021 H1: £4.4m). Adjusted basic earnings per share from continuing operations before other costs and intangible asset impairment charges and amortisation which reflects the Group's underlying trading performance decreased 31% to 2.0p (2021 H1: 2.9p) due to the decreased adjusted profit before tax and the associated tax charge. Statutory basic earnings per share decreased 66% to 0.7p (2021 H1: 2.1p) as a result of the statutory profit decrease in the period.

Key Performance Indicators (KPIs)
The Group monitors its performance using the KPIs in the table below.

KPIs 6 months to 30 June	2022 H1	2021 H1 Reported	2021 Constant Currency	Change Constant Currency	Change Constant Currency %
Revenue	**£42.4m**	£39.3m	£39.4m	£3.0m	7.7%
Adjusted Operating Profit (EBITDA)[2, 3]	**£7.1m**	£9.2m	£9.0m	£1.9)m	(21.6)%
Adjusted Operating Margin (EBITDA)[2, 3]	**16.7%**	23.3%	22.9%	-	(6.2)pp
Annual Recurring Revenue (ARR) at period end[1] (versus 31 Dec 2021)	**£53.7m**	£50.3m	£51.3m	£2.4m	4.8%
Committed Income (Order Book)[4,5]	**£186.5m**	£172.5m	£176.5m	£10.0m	5.6%
Free Cash Flow [7]	**£(10.0)m**	£0.5m	£0.5m	£(10.5)m	(2183)%
Operating Cash Conversion	**(14)%**	63%	63%	-	(77)pp
Staff Retention	**92%**	95%	95%	-	(3)pp
Revenue / Average FTE [5] (£'000s: annualised)	**£101.7k**	£100.9k	£101.1k	£0.6k	0.6%

[1] Annual Recurring Revenue (ARR) at period end includes Support & Maintenance fees, Cloud Services and Subscription Licence and is assessed as contracted ARR at the 30 June 2022 and 31 December 2021, of which some is still to be delivered.
[2] Adjusted Operating Profit and Adjusted Operating Margin is in respect of continuing operations which excludes "Other Items" charges of £2.5m (2020 H1: charge of £2.0m) refer to note 6 in this report
[3] EBITDA is calculated by taking the Adjusted Operating Profit after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation
[4] Committed income (Order Book) relates to the total value of orders which have been signed on or before, but not delivered by, 30 June 2022. This is reported on an IFRS15 basis and represents the best estimate of business expected to be delivered and recognised in future periods, and includes License sales, Implementation work and two years of Support & Maintenance revenue
[5] 2021 committed income and revenue / average FTE comparatives are as at 31 December 2021
[6] Revenue/Average Operational FTE is the average FTE for the period excluding average FTE associated with capitalised Product Development. In H1 2022 151.3 FTE were capitalised (H1 2021: 118.1)
[7] Comparative restated – refer to Free Cash Flow section below

Annual Recurring Revenue (ARR) at period end, is a key forward looking metric and continues to be an area of strategic focus. In line with our strategy, our aim is to grow ARR in our core products through the delivery of Software as a Service contracts, providing increased quality of earnings. ARR increased by 4.8% on a constant currency basis to £53.7m (2021 FY: £51.3m). An element of growth includes contractual inflationary uplifts applied annually on our Foundational Support and Maintenance contracts, however the main growth is the attributable to new Edge software sales which saw an increase of 10.5% and the continued successful migration of 3 key customers to the Tribal:Cloud which has increased 13.7% in the period.

Committed Income (Order Book) relates to the total value of orders across SIS and ES which have been signed off, on or before, but not delivered by 30 June 2022. This represents the best estimate of business expected to be delivered and recognised in future periods and includes 2 years of Support and Maintenance revenue. As of 30 June 2022 this increased

5.6% to £186.5m (2021 FY: £176.5m). The majority of the increase relates to the new wins and contract extensions across both ES and SIS, offset by work delivered in the first half of the year.

Product Development Costs: The Group spent £8.1m on product development, of which £5.4m (2021 H1: £4.5m) was Edge, including Dynamics and Semestry. Edge investment to date, including Dynamics and Semestry, totals £33.6m. The net P&L charge after removing capitalised spend was £2.6m (2021 H1: £2.8m), and £2.1m excluding amortisation (2021 H1: £2.3m). We continue to invest in our Foundation products, adding new modules and additional functionality as well as statutory updates, the costs of which are expensed.

Net (Borrowings) / Cash and Cash flow

Cash flow 6 months to 30 June £m	2022 H1	2021 H1 Reported
Net cash (used in)/ from operating activities before tax	**(1.8)**	**5.1**
Tax and other items	(2.8)	(1.7)
Capitalised product development	(5.6)	(5.3)
Proceeds from shares	0.2	2.6
Free Cash Flow	**(10.0)**	**0.5**
Consideration paid for acquisitions, inc. deferred consideration	(0.8)	(5.5)
Loan drawdown	7.5	2.5
Net (decrease) in cash & cash equivalents	**(3.3)**	**(2.4)**
Cash & cash equivalents at beginning of the year	**5.9**	9.5
Cash & cash equivalents at end of period	**2.6**	7.1
Less: Effect of foreign exchange rate changes	**0.1**	(0.3)
Cash & cash equivalents at end of period	**2.7**	6.8
Borrowings	**(7.5)**	(2.5)
Net (Borrowings) / Cash at the end of the period	**(4.8)**	4.3

The Group used net cash of £1.8m in operating activities before tax (2021 H1: Net cash generated from operating activities before tax £5.1m) from reduced operating cash flows from continuing operations £6.4m (2021 H1 £8.7m) and higher than traditional first half deterioration in working capital £8.2m (2021 H1 £3.6m). The higher working capital movement is mainly due to delayed delivery on our NTU contract and impact on timing of project milestone payments.

Tax and other items include £0.8m additional net tax paid in the first half year totalling £1.9m (2021 H1: £1.1m) as a result of increased overseas corporation tax payments of £0.6m due to higher overseas profits in 2021 compared to 2020 and £0.2m relates to the timing of receiving UK research and development tax refunds. In addition, the net gain on forward foreign exchange contracts reduced by £0.2m in the first half of 2022 compared to 2021 H1 reflecting the trends in AUD to GBP over both periods.

In line with the Group's product investment strategy, there has been a continued increase in capitalised product development spend totalling £5.6m (2021 H1: £5.3m). Proceeds from the issue of shares was £2.4m lower totalling £0.2m (2021 H1: £2.6m) due to the timing of share sales related to share-based payments schemes.

Consideration paid for acquisitions, including deferred consideration decreased by £4.7m to £0.8m (2021 H1: £5.5m) due to the Semestry Limited acquisition in April 2021 of £4.2m and a £0.5m reduction in deferred consideration payments as the final payment relating to the Dynamics acquisition was paid in H1 2021. The remaining deferred consideration in respect of the acquisition of the assets of Eveoh BV is £0.4m which is likely to be paid before the end of the two year earnout period ending September 2023.

The loan drawdown increased £5m to £7.5m (2021 H1: £2.5m) to assist with the working capital requirements in the first half of the year.

Operating Cash Conversion is calculated as net cash (used in) / from operating activities before tax as a proportion of adjusted operating profit (EBITDA) excluding the cash outflow of £0.8m (2021 H1: £0.7m) on the Veritas programme and was (14)% compared to (2020 H1: 63%). Cash conversion has been impacted by the deterioration in working capital as explained above.

Net Borrowings and Free Cash Flow

At the end of the period, the Group had Net Borrowings of £4.8m (2021 FY: Net Cash £5.9m; 2021 H1: Net Cash £4.3m) and Free Cash Flow of £(10.0)m (2021 H1: £0.5m).

Free cash flow is included as a key indicator of the cash that is generated by the Group and is available for acquisition related investment, interest and finance charges and, or distribution to shareholders. It is calculated as net cash generated before dividends, interest and finance charges, deferred consideration, and investments in subsidiaries. In prior years' free cash flow was calculated based on net cash from operating activities less capital expenditure and less capitalised development costs (excluding acquired intellectual property), the prior year comparative has been restated to reflect the change in definition.

The Group has bank facilities of £10m of which £7.5m was drawn down as at 30 June 2022 (2021 H1: £2.5m) and continues to closely monitor its cash flows. Management anticipates an improved cash position by year end, although a net debt position is still expected. The extent of the improvement is dependent on the timing of project milestones.

Items excluded from adjusted profit figures: The Group has a policy of disclosing separately on the face of its Group income statement the effect of any components of financial performance considered by the Directors to be not directly related to the trading business or regarded as exceptional, and for which separate disclosure would assist in a better understanding of the financial performance achieved. A full explanation of "Other Items" is included in note 6 of the Financial Statements, however the main items are as follows:

- **Employee-related Share Option charges** (including employer related taxes) increased to £0.6m (2021 H1: £1.1m) and are excluded from the Adjusted Operating profit. The charges in the current year relate to the Long-Term Incentive Plan options (LTIPs) which were granted to the executive and senior management teams in 2019, 2020, 2021 and 2022.

- **Internal Systems Transformation Programme "Veritas"** Since the end of 2020 the Group has been running the Veritas Programme. This includes an upgrade to its accounting system (Microsoft Dynamics D365) and is part of a wider implementation of a new target operating model and processes to provide greater operating efficiencies and reporting functionalities. In 2022, £0.7m costs have been expensed in the period. At the end of 2021 £0.2m of costs capitalised in 2020 were expensed to the income statement alongside £1.5m of costs in 2021. The upgrade is material and non-recurring in nature.

- **Amortisation of IFRS3 Intangibles** charge in relation to IFRS3 intangible assets of £0.5m (2021 H1: £0.3m) arose from separately identifiable assets recognised as part of previous acquisitions. The assets principally relate to software and customer relationships and are amortised over their expected life, this was determined in the year the acquisition took place.

- **Restructuring and associated costs** relate to the restructuring of the Group's operations, including properties totalling £0.5, (2021 H1: £nil; 31 December 2021: £24,000).

- **Acquisition costs** of £0.1m (2021 H1: £0.5m) include amounts relating to legal and due diligence costs of the acquisition of Semestry Limited and the acquisition of Eveoh BV's assets into Semestry Netherlands BV.

Share Options and Share Capital: The shares issued during the period were in order to satisfy exercises of share-based payment schemes. 314,406 shares were issued between January and June 2022. The exercise costs resulted in cash receipts of £0.2m. As at 30 June 2022, there were 210,688,779 shares issued (2021 FY: 210,374,373).

Dividends: The final dividend for 2021 of 1.3p was paid by the Company in July 2022. It is Tribal's expectation that a final dividend will be paid following the release of annual results in line with its dividend policy.

Condensed consolidated income statement

For the six months to 30 June 2022

	Note	Adjusted £'000	Other (note 6) £'000	Six months ended 30 June 2022 Total £'000	Adjusted £'000	Other (note 6) £'000	Six months ended 30 June 2021 Total £'000
Continuing operations							
Revenue	4	42,413	-	42,413	39,290	-	39,290
Cost of sales		(22,785)	-	(22,785)	(18,146)	-	(18,146)
Gross profit		19,628	-	19,628	21,144	-	21,144
Total administrative expenses		(13,883)	(2,479)	(16,362)	(13,337)	(1,988)	(15,325)
Operating profit/(loss)	4	5,745	(2,479)	3,266	7,807	(1,988)	5,819
Investment income		54	-	54	217	-	217
Finance costs	6	(95)	(110)	(205)	(118)	-	(118)
Profit/(loss) before tax		5,704	(2,589)	3,115	7,906	(1,988)	5,918
Tax (charge)/credit	7	(1,412)	(134)	(1,546)	(2,025)	533	(1,492)
Profit/(loss) attributable to the owners of the parent		4,292	(2,723)	1,569	5,881	(1,455)	4,426
Earnings per share							
Basic	8	2.0p	(1.3)p	0.7p	2.9p	(0.8)p	2.1p
Diluted	8	2.0p	(1.3)p	0.7p	2.8p	(0.7)p	2.1p

All activities are from continuing operations

Condensed consolidated income statement
For the six months to 30 June 2022 (continued)

	Note	Adjusted £'000	Other (note 6) £'000	Year ended 31 December 2021 £'000
Revenue	4	81,148	-	81,148
Cost of sales		(39,335)	-	(39,335)
Gross profit		41,813	-	41,813
Total administrative expenses		(27,846)	(5,079)	(32,925)
Operating profit/(loss)	4	13,967	(5,079)	8,888
Investment income		255	-	255
Finance costs	6	(230)	(299)	(529)
Profit/(loss) before tax		13,992	(5,378)	8,614
Tax (charge)/credit	7	(2,240)	619	(1,621)
Profit/(loss) attributable to the owners of the parent		11,752	(4,759)	6,993
Earnings per share				
Basic	8	5.7p	(2.3)p	3.4p
Diluted	8	5.5p	(2.3)p	3.2p

Condensed consolidated statement of comprehensive income and expense
For the six months to 30 June 2022

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Profit for the period	1,569	4,426	6,993
Other comprehensive income/(expense)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit pension schemes	-	-	728
Deferred tax on measurement of defined benefit pension schemes	-	57	(131)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	811	(654)	(917)
Other comprehensive income/(expense) for the period net of tax	811	(597)	(320)
Total comprehensive income for the period attributable to equity holders of the parent	2,380	3,829	6,673

Condensed consolidated balance sheet
As at 30 June 2022

	Note	**30 June 2022 £'000**	30 June 2021 £'000	31 December 2021 £'000
Non-current assets				
Goodwill	9	29,285	31,276	28,582
Other intangible assets	10	40,540	29,614	35,947
Property, plant and equipment		1,053	1,066	962
Right of use assets		1,188	2,805	2,309
Net investment in lease		93	151	-
Deferred tax assets		5,033	4,544	5,233
Contract assets		94	152	1,610
		77,286	69,608	74,643
Current assets				
Trade and other receivables	11	11,438	12,968	10,602
Net investment in lease		47	46	-
Contract assets		10,492	5,627	6,178
Current tax assets		136	4	-
Cash and cash equivalents (excluding bank overdrafts)	17	2,718	6,791	5,924
		24,831	25,436	22,704
Total assets		102,113	95,044	97,347
Current liabilities				
Trade and other payables	12	(6,730)	(5,383)	(6,081)
Contract liabilities		(22,430)	(22,959)	(23,571)
Accruals		(7,682)	(7,641)	(9,253)
Current tax liabilities		(1,829)	(2,653)	(2,456)
Lease liabilities		(801)	(907)	(878)
Provisions	13	(794)	(1,679)	(1,349)
		(40,266)	(41,222)	(43,588)
Net current liabilities		(15,436)	(15,786)	(20,884)
Non-current liabilities				
Contract liabilities		(187)	(582)	(1,864)
Retirement benefit obligations		(215)	(958)	(215)
Lease liabilities		(560)	(2,085)	(1,449)
Other payables	12	(125)	(182)	(131)
Deferred tax liabilities		(2,904)	(1,534)	(2,953)
Borrowings	17	(7,500)	(2,500)	-
Provisions	13	(757)	(932)	(807)
		(12,248)	(8,773)	(7,419)
Total liabilities		(52,514)	(49,995)	(51,007)
Net assets		49,603	45,049	46,340
Equity				
Share capital	14	10,534	10,479	10,519
Share premium		19,186	18,363	18,961
Other reserves		28,573	27,556	27,978
Accumulated losses		(8,690)	(11,349)	(11,118)
Total equity attributable to equity holders of the parent		49,603	45,049	46,340

Condensed consolidated cash flow statement
for the six months to 30 June 2022

	Note	**Six months ended 30 June 2022 £'000**	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Net cash (used in)/from operations	16	(3,760)	3,994	13,889
Investing activities				
Interest received			-	-
Purchases of property, plant and equipment		(395)	(356)	(563)
Expenditure on intangible assets		(5,593)	(5,281)	(10,224)
Acquisition of Investments in subsidiaries – cash consideration	14	-	(4,524)	(4,512)
Acquisition of Investments in subsidiaries – cash acquired		-	317	317
Payment of deferred contingent consideration for acquisitions		(788)	(1,326)	(2,180)
Net gain on forward contracts		54	214	249
Net cash outflow from investing activities		(6,722)	(10,956)	(16,913)
Financing activities				
Interest paid		(71)	(66)	(165)
Loan arrangement fees		(9)	(45)	(45)
Loan drawdown		7,500	2,500	15,000
Loan repayment		-	-	(15,000)
Equity dividend paid		-	-	(2,505)
Proceeds on issue of shares		241	2,606	3,244
Proceeds from sub-leases		4	26	52
Payment of lease liabilities		(462)	(511)	(987)
Net from/(cash used) in financing activities		7,203	4,510	(406)
Net decrease in cash and cash equivalents		(3,279)	(2,452)	(3,430)
Net cash and cash equivalents at beginning of period		5,924	9,520	9,520
Effect of foreign exchange rate changes		73	(277)	(166)
Net cash and cash equivalents at end of period	17	2,718	6,791	5,924

Condensed consolidated statement of changes in equity

For the six months to 30 June 2021

	Note	Share Capital £'000	Share Premium £'000	Other reserves £'000	Accumulated losses £'000	Total Equity £'000
Balance at 31 December 2020 as previously reported		10,285	15,951	26,926	(14,944)	38,218
Impact of prior year adjustment		-	-	-	(586)	(586)
Balance at 31 December 2020 restated		10,285	15,951	26,926	(15,530)	37,632
Profit for the period		-	-	-	4,426	4,426
Other comprehensive income for the period		-	-	-	(597)	(597)
Total comprehensive income for the period		-	-	-	3,829	3,829
Issue of equity share capital		194	2,412	-	-	2,606
Credit to equity for share-based payments		-	-	650	-	650
Tax credit on credit to equity for share-based payments		-	-	-	352	352
Foreign exchange difference on share-based payments		-	-	(20)	-	(20)
Contributions by and distributions to owners		194	2,412	630	352	3,588
Balance at 30 June 2021		10,479	18,363	27,556	(11,349)	45,049
Profit for the period		-	-	-	2,567	2,567
Other comprehensive expense for the period		-	-	-	277	277
Total comprehensive income for the period		-	-	-	2,844	2,844
Issue of equity share capital		40	598	-	-	638
Equity dividend paid		-	-	-	(2,505)	(2,505)
Credit to equity for share-based payments		-	-	428	-	428
Tax credit on credit to equity for share-based payments		-	-	-	(108)	(108)
Foreign exchange difference on share-based payments		-	-	(6)	-	(6)
Contributions by and distributions to owners		40	598	422	(2,613)	(1,553)
Balance at 31 December 2021		10,519	18,961	27,978	(11,118)	46,340
Profit for the period		-	-	-	1,569	1,569
Other comprehensive expense for the period		-	-	-	811	811
Total comprehensive income for the period		-	-	-	2,380	2,380
Issue of equity share capital		15	225	-	-	240
Credit to equity for share-based payments		-	-	558	-	558
Tax charge on credit to equity for share-based payments		-	-	-	48	48
Foreign exchange difference on share-based payments		-	-	37	-	37
Contributions by and distributions to owners		15	225	595	48	883
Balance at 30 June 2022		10,534	19,186	28,573	(8,690)	49,603

Notes to the condensed consolidated financial information
for the six months to 30 June 2022

1. General information

The condensed consolidated financial information for the six months ended 30 June 2022 was approved by the Board of Directors on 16 August 2022. 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 2021 were approved by the Board of Directors on 16 March 2022. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts: its report was unqualified, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as stated within the consolidated financial statements for the year ended 31 December 2021.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2021.

3. Going concern

Tribal had net cash and cash equivalents of £2.7m at the end of H1 2022, this includes £7.5m drawdown of the £10m bank facility. There is also access to an undrawn UK and Australian overdraft of £2.0m and $AUD 2.0m respectively. The Group entered into a £10m facility to cover general corporate and working capital requirements of the Group. Tribal Group plc has undertaken to make adequate financial resources available to the Group to meet its current and future obligations as and when they fall due.

Tribal's main business is software related through the provision of Student Information Systems (SIS) to education institutions globally. Revenue is generated from the sale of software licenses and related implementation work, and the ongoing provision of support & maintenance and cloud/hosting services. The Group benefits from strong annual recurring revenues and cash generation, it also has a significant pipeline of committed income for the remainder of 2022 and into 2023 which provides a good level of protection and certainty to the business. The Group's net current liability position has decreased to £15.4m from £15.8m in H1 2021, it is still being driven by the recognition of IFRS 16 lease liabilities as current liabilities of £0.8m, and net current contract liabilities of £22.4m relating to deferred customer revenue recognised in accordance with IFRS 15.

The Group had a positive start to the year, closing several significant sales to new and existing customers, and expanding its global footprint. The investments the Group continue to make position Tribal at the forefront of this evolution in the industry. The start of the year has been cash depletive and although management anticipates an improved cash position by year end, a net debt position is still expected. The extent of the improvement is dependent on the timing of project milestones. Management is monitoring costs closely and would also introduce cost saving measures to mitigate the impact on profit and cash if necessary.

The Company has guaranteed the year-end liabilities of its subsidiaries.

In assessing the Company's going concern position and the Group's ability to provide the necessary financial support, the Directors have considered all relevant facts and latest forecasts and assessment of the risks faced by the Group, considering reasonably possible changes in trading performance. In addition, management have sufficiently stress tested the latest forecasts, to the point where either the Group cannot meet its liabilities or is in breach of banking covenants and have concluded that this position is remote and does not have a significant impact on the Groups ability to continue as a going concern. Accordingly, after making enquiries and receiving confirmation of Group support as set out above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the interim report and the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

4. Segmental analysis

Information reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the nature of each type of activity. Since 2021 Asset Management, Software Solutions and Information Managed Services revenue is included in SIS as it more closely aligns with the Software side of the business. This had previously been included within ES. June 2021 has been updated for comparison with £1.4m revenue being reassigned. The Group's reportable segments and principal activities under IFRS 8 are detailed below:

Student Information ("SIS") represents the delivery of software and subsequent maintenance and support services and the activities through which we deploy and configure our software for our customers, including software solutions, asset management and information managed services; and

Education Services ("ES") represents inspection and review services which support the assessment of educational delivery, and a portfolio of performance improvement tools and services, including analytics.

In accordance with IFRS 8 'Operating Segments' information on segment assets is not shown as this is not provided to the Chief Operating decision-maker. Inter-segment sales are charged at prevailing market prices.

	Total Revenue			Adjusted segment operating profit		
	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £000
Student Information Systems	35,470	32,552	67,306	10,235	12,230	22,404
Education Services	6,943	6,738	13,842	1,643	1,336	2,229
Total	42,413	39,290	81,148	11,878	13,566	24,633
Unallocated corporate expenses				(6,133)	(5,759)	(10,666)
Adjusted operating profit				5,745	7,807	13,967
Amortisation of software and customer contracts & relationships				(547)	(339)	(947)
Other items				(1,932)	(1,649)	(4,132)
Operating profit				3,266	5,819	8,888

4. Segmental analysis (cont.)

Depreciation and amortisation is allocated to segment profits and is included in adjusted segment operating profit as above. The amount included in SIS is £1.0m (30 June 2021: £1.0m; 31 December 2021 £1.2m) and within Education Services £0.1m (30 June 2021: £nil; 31 December 2021: £nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment, without the allocation of central administration costs, including Directors' salaries, finance costs and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Within Education Services revenues of approximately 4% (31 December 2021: 4%) have arisen from the Segments largest customer: within SIS revenues of approximately 7% (31 December 2021: 4%) have arisen from the Segments largest customer. These percentages are calculated against total revenue.

Geographical information:

Revenue from external customers, based on location of the customer, are shown below:

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
UK	25,086	23,117	48,975
Australia	9,106	10,582	20,485
Other Asia Pacific	4,871	2,627	5,824
North America	1,880	1,795	3,149
Rest of the world	1,470	1,169	2,715
	42,413	39,290	81,148

5. Alternative Performance Measures (APM)

A number of non-IFRS adjusted profit measures are used in this interim report and financial statements. Adjusting items are excluded from our headline performance measures by virtue of their size and nature, in order to reflect management's view of the performance of the Group. Summarised below is a reconciliation between statutory results to adjusted results. The Group believes that alternative performance measures such as adjusted EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), or based on factors which do not reflect the underlying performance of the business. The adjusted profit after tax earnings measure is also used for the purpose of calculating adjusted earnings per share.

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Statutory Operating profit	3,266	5,819	8,888
Amortisation of Development cost and acquired Intellectual Property	475	520	1,008
Amortisation of other intangibles	11	13	25
Depreciation on Property, Plant & Equipment	318	345	650
Depreciation of right-of use assets	512	478	985
Amortisation of software and customer contracts & relationships	547	339	947
Other exceptional costs	1,338	523	2,504
Employee related share option charges	594	1,126	1,628
Adjusted Operating Profit (EBITDA)	7,061	9,163	16,635

6. Other items

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Acquisition related costs	(67)	(508)	(765)
Employee related share option charges (including employer related taxes)	(594)	(1,126)	(1,628)
Internal systems transformation programme "VERITAS"	(707)	-	(1,715)
Restructuring and associated costs	(564)	(15)	(24)
Amortisation of software and customer contracts and relationships	(547)	(339)	(947)
Total administrative expenses	**(2,479)**	**(1,988)**	**(5,079)**
Other financing costs	(110)	-	(299)
Total other items before tax	**(2,589)**	**(1,988)**	**(5,378)**
Tax on other items	(134)	533	619
Total other items after tax	**(2,723)**	**(1,455)**	**(4,759)**

The Group has adopted a policy of disclosing separately on the face of its Group income statement the effect of any components of financial performance considered by the Directors to be not directly related to the trading business or regarded as exceptional, or for which separate disclosure would assist in a better understanding of the financial performance achieved. Both materiality and the nature and function of the components of income and expense are considered in deciding upon such presentation. As such, 'other items' are not part of the Group's underlying trading activities and include the following:

Acquisition related costs: Amounts in the current year relate to ongoing possible acquisitions £67,000. In the prior year amounts relate to the legal and due diligence costs of the acquisition of Semestry Limited, and the acquisition of Eveoh BV's assets into Semestry Netherlands BV (30 June 2021: £575,000; 31 December 2020: £832,000). Under IFRS 3 these amounts were expensed as they are not eligible for capitalisation. These are considered to be one-off costs in the year. In addition, changes in the fair value of contingent deferred consideration have been remeasured at relevant reporting dates and the corresponding gain has been recognised in the income statement (30 June 2021: £(67,000): 31 December 2021: £(67,000)).

Employee related share option charges include:

- share based payments (30 June 2022: £595,000; 30 June 2021: £671,000; 31 December 2021: £1,058,000) plus foreign exchange (30 June 2022: (£37,000)); 30 June 2021: £20,000; 31 December 2021: £27,000);
- the movement in associated employers taxes accrual (30 June 2022: £36,000; 30 June 2021: £408,000; 31 December 2021: £494,000);
- the amounts accrued and paid on dividends on share options that have met performance conditions (30 June 2022: £nil; 30 June 2021: £5,000; 31 December 2021: £(10,000)). When the Company declares a cash dividend, some option holders are entitled to a 'dividend equivalent'. This is a payment in cash and/or additional shares with a value determined by reference to the dividends that would have been paid on the vested shares in respect of dividend record dates occurring during the period between the grant of the Award and the date on which it becomes exercisable; and
- a nominal value paid to employees as a bonus (30 June 2022: £nil; 30 June 2021: £62,000; 31 December 2021: £65,000). Under Companies Act 2006 rules a nominal value must be paid to issue new shares, however under the rules of the LTIP and Matching Shares Schemes the Company will pay the nominal value to the participants as a bonus.

Internal systems transformation programme "Veritas" has been running since 2020. This includes an upgrade to its accounting system (Microsoft Dynamics D365) and is part of a wider implementation of a new target operating model and processes to provide greater operating efficiencies and reporting functionalities. In 2021, £181,000 of costs capitalised in 2020 were expensed to the income statement alongside £1,534,000 of costs in 2021. £707,000 costs have been expensed in the period to 30 June 2022. The upgrade is material and non-recurring in nature.

Restructuring and associated costs relate to the restructuring of the Group's operations, including properties. (30 June 2022: £549,000; 30 June 2021: £nil; 31 December 2021: £24,000).

Amortisation of software and customer contracts and relationships: Amortisation arising on the fair value of intangible assets acquired is separately disclosed. (30 June 2022: £547,000; 30 June 2021: £339,000; 31 December 2021: £947,000).

Other financing charges: Consistent with the treatment of movements in deferred consideration, the unwind of the discount on deferred consideration is separately presented as other financing costs in the income statement (30 June 2022: £110,000; 30 June 2021: £nil; 31 December 2021: £299,000).

Taxation: The tax credit arising on the above items is presented on a consistent basis with the underlying cost or credit to which it relates and therefore is also presented separately on the face of the income statement.

7. Finance costs

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Interest on bank overdrafts and loans	44	19	70
Loan arrangement fees	9	45	45
Net interest payable on retirement benefit obligations	-	-	14
Interest expense on lease liabilities	42	54	101
Adjusted Finance costs	95	118	230
Unwinding of discounts	110	-	299
Other finance costs	110	-	299
Total finance costs	205	118	529

8. Tax

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Current tax			
UK Corporation tax	-	-	(319)
Overseas tax	1,311	1,091	2,017
Adjustments in respect of prior periods	-	(1)	(103)
	1,311	1,090	1,595
Deferred tax			
Current period	170	445	(2)
Adjustments in respect of prior periods	65	(43)	28
	235	402	26
Tax charge on profits	1,546	1,492	1,621

In addition to the amount charged to the income statement a current tax credit of £nil (30 June 2021: £nil; 31 December 2021: £53,000) and a deferred tax credit of £48,000 (30 June 2021: charge of £234,000; 31 December 2021: charge of £395,000) has been recognised directly in equity in relation to share schemes. A deferred tax credit of £nil (30 June 2021: £57,000; 31 December 2021: charge of £131,000) has been recognised in the Consolidated Statement of Comprehensive Income in relation to Defined Benefit pension schemes.

The Group continues to hold an appropriate corporation tax provision in relation to the Group relief claimed from Care UK for the year ended 31 March 2007, together with other appropriate Group provisions.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

9. Earnings per share

Earnings per share and diluted earnings per share are calculated by reference to a weighted average of ordinary shares calculated as follows:

	Six months ended 30 June 2022 thousands	Six months ended 30 June 2021 thousands	Year ended 31 December 2021 thousands
Basic weighted average number of shares in issue	210,230	206,362	207,934
Weighted average number of Employee share options	6,355	4,530	7,047
Weighted average number of shares outstanding for dilution calculations	216,585	210,892	214,981

Diluted earnings per share only reflects the dilutive effect of share options for which performance criteria have been met.

The maximum number of potentially dilutive shares, based on options that have been granted but have not yet met vesting criteria, is 6,354,753 (31 December 2021: 7,125,172). This includes 814,438 options in the 2019 SAYE Scheme (31 December 2021: £876,512).

The adjusted basic and diluted earnings per share figures shown on the condensed consolidated income statement are included as the directors believe that they provide a better understanding of the underlying trading performance of the Group.

A reconciliation of how these figures are calculated is set out below.

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Net profit	1,569	4,426	6,993
Earnings per share			
Basic	0.7p	2.1p	3.4p
Diluted	0.7p	2.1p	3.2p
Other items after tax (note 5)	2,723	1,445	4,759
Earnings per share			
Basic	(1.3)p	(0.8)p	(2.3)p
Diluted	(1.3)p	(0.7)p	(2.3)p
Adjusted Net profit	4,292	5,881	11,752
Adjusted earnings per share			
Basic	2.0p	2.9p	5.7p
Diluted	2.0p	2.8p	5.5p

10. Goodwill

	£'000
Cost	
At 1 January 2022	109,813
Exchange differences	703
At 30 June 2022	110,516
Accumulated impairment losses	
At 1 January 2022	81,231
At 30 June 2022	81,231
Net book value	
At 30 June 2022	29,285
At 31 December 2021	28,582

The Group tests annually for impairment, or more frequently if there are indicators that goodwill could be impaired. At the half year, a review has been undertaken to ascertain if any indicators have arisen of potential impairments. Based on the review performed, no impairment indicators that would require an impairment review have been noted.

11. Other intangible assets

	Software £'000	Customer contracts and relationships £'000	Acquired intellectual property £'000	Development costs £'000	Business systems £'000	Software licences £'000	Total £'000
Cost							
At 1 January 2022	12,233	9,753	1,873	54,013	818	1,488	80,178
Cost adjustments	-	-	-	(7)	-	-	(7)
Additions	-	-	-	5,518	76	-	5,525
Exchange differences	413	177	-	183	6	1	780
At 30 June 2022	12,646	9,930	1,873	59,707	900	1,489	86,545
Amortisation							
At 1 January 2022	8,305	6,606	809	26,399	624	1,488	44,231
Charge for the period	314	233	37	438	11	-	1,033
Exchange differences	414	136	-	184	6	1	741
At 30 June 2022	9,033	6,975	846	27,021	641	1,489	46,005
Carrying amount							
At 30 June 2022	3,613	2,955	1,027	32,686	259	-	40,540
At 31 December 2021	3,928	3,147	1,064	27,614	194	-	35,947

Software and customer contract and relationships have arisen from acquisitions, and are amortised over their estimated useful lives, which are 3-8 years and 3-12 years respectively. The amortisation period for development costs incurred on the Group's product development is 3 to 15 years, based on the expected life-cycle of the product. Amortisation of development costs is included within cost of sales; the amortisation for software, customer contracts and relationships and business systems is included within administrative expenses.

Included within Business systems are finance systems with a carrying value of £0.3m (2021: £0.2m). Phase I of the D365 implementation was fully capitalised and is being amortised over a period of ten years. The Veritas programme commenced in October 2020 and is part of a wider implementation of a new target operating model and processes to provide greater operating efficiencies and reporting functionalities across the Group. £76,000 of costs have also been expensed in the six months to 30 June 2022.

12. Trade and other receivables

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Amounts receivable for the sale of services	6,651	8,259	5,629
Less: loss allowance	(96)	(109)	(187)
	6,555	8,150	5,442
Other receivables	542	709	693
Prepayments	4,341	4,109	4,467
	11,438	12,968	10,602

13. Trade and other payables

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Current			
Trade payables	1,803	777	1,712
Other taxation and social security	3,050	3,029	2,728
Other payables	1,877	1,577	1,641
	6,730	5,383	6,081
Non-current			
Other payables	125	182	131
	125	182	131
Total	5,191	5,565	6,212

14. Provisions

	Property related £'000	Deferred Contingent Consideration £'000	Other £'000	Total £'000
At 1 January 2022	920	1,083	153	2,156
Increase in provision	43	111	-	154
Utilisation of provision	-	(788)	-	(788)
Exchange rate movement	24	-	5	29
At 30 June 2022	987	406	158	1,551

The provisions are split as follows:

	Property related £'000	Deferred Contingent Consideration £'000	Other £'000	Total £'000
Within one year	433	203	158	794
More than one year	554	203	-	757
Total	987	406	158	1,551

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Property related provision relates to the estimated future dilapidation costs arising from exiting leasehold properties, under IAS 37. This provision is discounted at 2.65%. It also includes costs from exiting onerous leases.

Other provision relates to the recoverability of input VAT in the Philippines. This provision is not discounted.

Deferred consideration reflects amounts in respect of the acquisitions of subsidiary undertakings payable over a period of up to 2 years. Certain amounts are contingent upon the performance of the acquired entities with amounts reflecting management's best estimate of the future profitability of those entities and the resultant payment due under the terms of the Sale and Purchase Agreement. The deferred consideration is discounted at 18%.

Deferred contingent consideration reflects an amount in respect of the acquisition of the assets of Eveoh BV. The amount has been calculated upon the performance of the entity in the period to 30 June 2022 and the resultant payments are due under the Sale and Purchase Agreements. As at 30 June 2022 deferred contingent consideration amounts to £406,000 for the assets of Eveoh BV. During the period payments totalling £166,000 were made.

At 31 December 2021 there was £622,000 of deferred contingent consideration due to the owners of Semestry. During 2022 a final payment of £622,000 was made.

The remaining deferred consideration for Eveoh is likely to be paid in 2022 and 2023.

Deferred contingent consideration was misclassified as Other payables in Trade and other payables in June 2020: £1,476,000.

15. Share capital

	Six months ended 30 June 2022 number	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 number	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 number	Year ended 31 December 2021 £'000
Allotted, called up and fully paid						
At beginning of the period	210,374,373	10,519	205,698,309	10,285	205,698,309	10,285
Issued during the period	314,406	15	3,872,410	194	4,676,0646	234
At end of the period	210,688,779	10,534	209,570,719	10,479	210,374,373	10,519

The Company has one class of ordinary shares of 5p which carry no right to fixed income.
314,406 shares were issued during the period in order to satisfy exercises of share-based payment schemes. The exercise costs of 58.2p, 71p, 79.6p and 80p per share for the LTIPs resulted in cash receipts of £0.2m.

16. Notes to the cash flow statement

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Operating profit from continuing operations	3,266	5,819	8,888
Depreciation of property, plant and equipment	318	345	650
Depreciation of right-of-use assets	488	478	985
Amortisation and impairment of other intangible assets	1,033	872	1,980
Share based payments	557	650	1,078
Movement in deferred consideration	-	(67)	(67)
Research and development tax credit	(121)	(81)	(204)
Net pension credit	-	-	(29)
Other non-cash items	848	696	874
Operating cash flows before movements in working capital	6,389	8,712	14,155
Increase in receivables	(3,647)	(3,417)	(3,093)
(Decrease)/increase in payables	(4,537)	(180)	4,472
Net cash (used in)/from operating activities before tax	(1,795)	5,115	15,534
Net tax paid	(1,965)	(1,121)	(1,645)
Net cash (used in)/from operating activities	(3,760)	3,994	13,889
Net cash (used in)/from operating activities before tax can be analysed as follows:			
Continuing operations	(1,795)	5,115	15,534

17. Analysis of net (borrowings)/cash

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Cash and cash equivalents	2,718	6,791	5,924
Borrowings	(7,500)	(2,500)	-
Net (borrowings)/cash	(4,782)	4,291	5,924

Analysis of changes in net cash

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Opening net cash	5,924	9,520	9,520
Increase in bank loans	(7,500)	(2,500)	-
Net decrease in cash and cash equivalents	(3,279)	(2,452)	(3,430)
Effect of foreign exchange rate changes	73	(277)	(166)
Closing net (borrowings)/cash	(4,782)	4,291	5,924

18. Contingent liabilities

The Company and its subsidiaries have provided performance guarantees issued by their banks on their behalf, in the ordinary course of business totalling £1.3m (30 June 2021: £0.8m, 31 December 2021: £1.2m). These are not expected to result in any material financial loss and the likelihood of using these guarantees is assessed as remote.

19. Related party disclosures

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. The members of the Group Board and the Group's Executive Board are considered to be the key management personnel of the Group.

	30 June 2022 £'000	30 June 2021 £'000	31 December 2021 £'000
Short-term employee benefits	965	745	2,524
Termination benefits	132	26	26
Share-based payments	325	494	732
	1,422	1,265	3,282

20. Seasonality

There is limited annual seasonality within the Group. Our SIS customers are on an annual billing cycle with implementation projects being invoiced based on milestones being met. There is some seasonality within the ES business as Surveys revenue is reduced as institutions only participate in the Southern Hemisphere International Student Barometer every other year.

Responsibility statement

The Directors' confirm that these condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report

The Directors of Tribal Group plc are listed in the Tribal Group plc Report and accounts for the 12 month period ended 31 December 2021. A list of current Directors is maintained on the Tribal Group plc website: www.tribalgroup.com.

The Directors are responsible for the maintenance and the integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Mark Pickett
Chief Executive

16 August 2022