24 August 2023

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

Interim Results for the six months ended 30 June 2023 (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 2023.

Results 6 months to 30 June	2023 H1	2022 H1 Restated [2]	2022 H1 Constant Currency[3]	Change	Change %
Revenue	£43.4m	£42.4m	£42.7m	£0.7m[3]	1.5%[3]
Adjusted Operating Profit (EBITDA) [2]	£8.1m	£6.5m[2]	£6.7m	£1.4m[3]	21.0%[3]
Adjusted Operating Profit Margin (EBITDA) [2]	18.6%	15.2%[2]	15.6%	3.0pp[3]	-
Annual Recurring Revenue (ARR) at period end [1] (versus 31 Dec 2022)	£51.9m	£51.2m	£50.4m	£1.4m[3]	2.8%[3]
Free Cash Out Flow [4]	£(9.4)m	£(10.0)m	-	£0.6m	6.0%
Net (Borrowing)/Cash	£(12.9)m	£(4.8)m	-	£(8.1)m	(169%)
Statutory Profit after Tax	£4.7m	£1.6m	-	£3.1m	194%
Statutory Earnings per Share (basic)	2.2p	0.7p	-	1.5p	214%

Operational Performance

- Continued good sales performance, with one new SITS:Vision logo customer and three further Cloud contracts from existing customers, University of Wolverhampton, University of the Arts London, and Royal Veterinary College.
- As previously announced, the contract with Nanyang Technology University "NTU" was terminated in March. Commercial discussions are underway with NTU, but the potential outcome is uncertain.
- First customer live on Edge Admissions, a critical system for universities, and built as a cloud-native, next generation SaaS solution.
- Strong performance from the Education Services (ES) business, continuing its post-pandemic growth under new leadership, including additional work with NCETM and a number of US school districts. The Board is continuing to consider the strategic options and opportunities for the ES business.
- Continued investment into Tribal's offering, people, and operations, to capitalise on the growing activity within the education market, including £4.6m investment in Edge product development.

Financial Performance (constant currency)

- Annual Recurring Revenue (ARR) of £51.9m, an increase of 2.8% since year end. Main ARR growth coming from sales of Tribal:Cloud and Foundation software.
- Group Revenue up 1.5% to £43.4m reflecting a significant £2.6m increase in Education Services offset by a £1.9m decline in the SIS business due to the loss of £2.8m revenue from NTU and previously flagged tail off of legacy contracts offset by growth in our Core revenues.
- Cloud Services revenue saw a large increase of 21% to £5.0m (H1 2022: £4.1m) as customers continue to migrate to Tribal:Cloud.
- Education Services grew strongly at 36.7%, to £9.7m (H1:2022 £7.1m) following sales to the UK and Middle East in the previous year.

- Adjusted EBITDA up 21.0% to £8.1m (H1 2022: £6.7m) reflecting a c£1m one off, net positive impact from the NTU onerous contract provision release offset by associated costs. Presentational changes have been made, in line with FRC guidance, to move employee related share option charges, including employer related taxes (H1 2023: £0.2m; H1 2022: £0.6m) to Adjusted EBITDA from previously reported 'other items'. Prior year Adjusted EBITDA numbers have been restated.
- Annual development spend on future offerings has been reduced, in line with the Group's stated plan.
- Net borrowing of £12.9m mainly due to traditional seasonality in the first half of the year, negative cash impact due to the NTU contract, and working capital impacts from ES contracts in the Middle East. Management anticipates an improved cash position by year end, although a net debt position is still expected.

Outlook

- Group is currently trading in line with Board expectations.
- While management is focused on a negotiated settlement with NTU, the timing of any resolution remains uncertain and in the meantime progress is being made within the core business and focus continues on carefully managed investment.

Mark Pickett, Tribal's CEO, commented: "We continued to trade positively, transitioning our existing customers to the cloud while securing new customers in our key geographies. Education Services performed well during the first half, and we expect this trend to continue.

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

[1] Annual Recurring Revenue (ARR) at period end includes Support & Maintenance fees, Cloud Services and Software subscription Licences and is assessed as contracted ARR at 30 June 2023 and 31 December 2022, of which some 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 'Exceptional items' of £0.4m (2022 H1: £1.3m), refer to note 4 in this report, and before Interest, Tax, Depreciation and Amortisation.

Prior year 2022 Adjusted EBITDA numbers have been restated to include share based payments previously shown within 'Other items' In line with FRC guidance, refer to note 5 in this report.

[3] 2022 H1 results restated to "constant currency" using 2023 rates to exclude foreign currency impact. All change movements are to prior year constant currency.

[4] Free cash flow is calculated as net cash generated before dividends, interest and finance charges, deferred consideration, and investments in subsidiaries.

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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

Tribal made steady progress in the first half of the year within the core business, delivering a positive performance across both the SIS and Education Services divisions. New customers were secured across our range of software offerings and three new cloud migrations were secured from our existing customers.

We continue to navigate the transition of the business to higher quality, recurring revenues from our newer Edge and Cloud software offerings, generating Core ARR growth of 6.3%, and overall ARR growth of 2.8% to £51.9m, demonstrating the relevance of Tribal's next generation technology.

NTU Contract

As previously announced on 20 and 24 March 2023 the contract with Nanyang Technological University ("NTU") has been terminated and on 28 April 2023, Tribal received from NTU an interim demand for the payment of damages which it rejected. Legal advice has been obtained on the matter and private settlement negotiations directly between the parties are underway. Should these be unsuccessful the parties are obliged under the contract to pursue potential resolution through a mediation process ahead of any legal proceedings being commenced. The timing and nature of conclusion though negotiated resolution or final adjudication if necessary is presently uncertain. We will update the market as and when appropriate. Given the present uncertainty, no provision has been currently made for any potential litigation.

Product developments
In FY22, the Board made the decision to focus development spend in 2023 and 2024 on our existing Edge products, to ensure we are focused on maximising the opportunity for each, targeting an overall reduction in Edge development from 2023 as the peak of development investment on the Admissions product has passed. Our Edge products are part of the broader Student Information System ecosystem as we modernise our SITS product and introduce the Edge platform to provide the integration layer for SITS, Callista and our Edge products.

We see significant opportunities for our core cloud-native Edge and SITS:Vision products in the next few years, across our key geographies as there is an increasing appetite from the higher education sector to transition their existing Student Information Systems to the cloud and anticipate this to be the main driver for uptake of our current range offerings.

Student Information Systems (SIS)

Student Information Systems, our core segment which targets the further and higher education sectors through our range of software solutions, delivered a steady performance in the first half, growing customer numbers and revenue.

During the period, we secured a new SITS: Vision customer, adding a total of £0.5m to ARR. This is a multi-year contract with the London School of Science and Technology to provide an improved student experience and deliver operational efficiencies for the university. This new business win comprises SITS Cloud, Tribal Engage and also Tribal Dynamics Marketing & Recruitment.

In the first half of the year, we also sold further native-cloud based Edge modules, such as Dynamics, Engage and Tribal Data Engine (TDE), to existing customers. Notably, Tribal Dynamics saw a number of projects go live in the period. Early in H2, we also went live with our first Tribal Admissions product, a next generation, native SaaS solution, built using Edge technology. Edith Cowan university, an Australian university with around 30,000 students, is running a pilot, starting with the admission of Post Graduate Domestic students and, over the coming year, rolling the product out to all student admissions. This is a key milestone for Tribal, successfully implementing a complex solution which is a critical system for a university.

With our Course & Exam Scheduling product, Semestry, we are beginning to see the UK universities starting to come to market to select their next generation scheduling product. Although there is a good pipeline of opportunities, it is likely to be into early 2024 before we see those tenders coming to market. In the meantime, we have taken the opportunity to integrate Semestry fully into the Tribal organisation.

We signed three further Cloud contracts for existing customers, the University of Wolverhampton, University of the Arts and Royal Veterinary College, as part of their programme of improvement with Tribal to migrate to the Tribal:Cloud. We secured smaller contracts across our ebs and Maytas portfolios where we continue to see substantial opportunities for these offerings across both existing and new customers.

We are pleased with these positive signs of potential across the Group 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 (ES) delivers Quality Assurance services to ministries of education and other education agencies around the world, across a broad range of services including overall school quality, leadership and teaching quality, as well as many specialist areas such as new teacher competence, Early Years, literacy and numeracy.

Last year, we implemented a three-year strategy for the business, targeting sustainable growth between FY23 - FY25. The aim of the new strategy was to create a clear identity for the ES business and better articulate the value it creates for our customers.

I am pleased to report the business has made good progress and will conclude the first phase of its new strategy in Q3 this year, resetting our operating model and bedding in new structures and processes. A principal focus has been the strengthening of both its business development and marketing functions, starting with the appointment of a new Director of Business Development in January. These changes have already created growth in our pipeline depth and quality, which in turn underscore our confidence in the division and the services it provides. The Board is continuing to consider the strategic options and opportunities for the ES business.

I am pleased to announce that ES has signed an expansion to its NCETM contract with the Department for Education in England, worth £1.1m over 12 months, providing further support for schools to improve maths teaching and leadership. The US arm of the ES business has had a positive H1, renewing or extending agreements with a number of School Districts and completing a successful project with the Cayman Islands Government. In the Middle East the team has started a small but strategic consultancy project with the Ministry of Education in the UAE and have a large number of projects in the pipeline.

Operations and people

We continue to carefully invest in our operations and people, whilst effectively managing our cost base as we evolve our operational model to ensure service levels are maintained for long-term profitable growth and to remain robust.

Our evolving operational model, which is built upon our increasing focus on customer success and alignment to Tribal's 'as-a-service' transition, continues to prove effective. The new target operating model is also now being supported by the implementation of new SaaS financial systems and processes, intended to give our customers a more personalised experience and to maximise the value of each of the Group's products

In June 2023, Tribal Achievers was launched, a global peer to peer recognition programme to maintain a vibrant culture as we have moved to remote working.

Our Customer Success model has successfully established itself in Further Education, providing some impressive outcomes and establishing a clear new revenue stream and source of value creation. We are taking those learnings into the Higher Educations market, bringing in highly valued sector professionals to build our advisory services and customer success offerings.

In terms of the implementation of new financial systems and processes, we have made good progress in H1, building on momentum from the prior year. In January 2023 we welcomed a new leader for our Global Business Services organisation, based in Philippines, who has a solid track record of leading finance and accounting services to large global corporations and who will lead the next phase of the Veritas programme to realise the benefits as we transform our execution of business processes.

We remain committed to our ESG strategy and long-term goals. This year Tribal is supporting employees volunteering with ChapterOne, an education-based charity providing reading and literacy support to primary school aged children living in deprived areas of the UK.

Outlook and focus for H2 2023

The resolution of the NTU contract will continue to be a key area of focus during the second half of 2023 and we will update the market as appropriate.

The Group has traded in line with Board expectations since the start of H1 and the Board is confident in delivering results for 2023 in line with current Board expectations.

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 are confident in our ambition to deliver on our key strategic priorities for the remainder of the year, and we look to the future with confidence.

Mark Pickett
Chief Executive Officer

Financial review

Results 6 months to 30 June £m	2023 H1	2022 H1 Restated[1]	2022 H1 Constant Currency	Change Constant Currency	Change Constant Currency %
Revenue	**43.4**	**42.4**	**42.7**	**0.7**	**1.5%**
Student Information Systems	33.7	35.5	35.6	(1.9)	(5.5%)
Education Services	9.7	6.9	7.1	2.6	36.7%
Adjusted Operating Profit (before Central Overheads)[2]	**15.4**	**13.0**	**13.2**	**2.2**	**16.8%**
Student Information Systems	13.4	11.3	11.5	1.9	16.7%
Education Services	2.0	1.7	1.7	0.3	17.9%
Central Overheads[3]	**(7.3)**	**(6.5)**	**(6.5)**	**(0.8)**	**12.5%**
Adjusted Operating Profit (EBITDA)[2]	**8.1**	**6.5**	**6.7**	**1.4**	**21.0%**
Adjusted Operating Margin (EBITDA)[2]	**18.6%**	**16.7%**	**15.6%**	**3.0pp**	**-**

[1] In line with FRC guidance, presentational changes have been made to move employee related share option charges, including employer related taxes (H1 2023: £0.2m; H1 2022: £0.6m) to Adjusted EBITDA from previously reported 'other items'

[2] Adjusted Operating Profit and Adjusted Operating Margin is in respect of continuing operations and exclude charges reported in 'Exceptional items', previously known as 'other items', of £0.4m (2022 H1: £1.3m), refer to notes 4 and 5 in this report, and before Interest, Tax, Depreciation and Amortisation.

[3] 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 £0.3m in Revenue and £0.2m in Adjusted Operating Profit, due to the Group's exposure to foreign exchange movements, in particular the US dollar and Singapore dollar.

The Revenue and Adjusted Operating Profit by segment in the table shows the reported results for 2023 H1 and 2022 H1, and the 2022 H1 results restated to "constant currency" using 2023 rates to exclude foreign currency impact. The growth percentages shown are on the 2022 constant currency numbers. All comparatives reported below are on a constant currency basis.

Revenue in the six months ended 30 June 2023 was up 1.5% to £43.4m (2022 H1: £42.7m) reflecting a significant £2.6m increase in Education Services offset by a £1.9m decline in the SIS business due to the loss of £2.8m revenue from NTU and previously flagged tail off of legacy contracts offset by growth in our Core revenues. Full year revenues within 2022 for NTU were £1.3m, due to revenue recognition movement in the second half of 2022.

Student Information Systems performance was impacted by the loss of professional services revenue from the NTU contract, decreasing by 5.5% to £33.7m (2022 H1: £35.6m).

Core revenue decreased 4.3% to £28.9m (2022 H1: £30.2m). Foundation Software grew 13.4% to £3.8m (2022 H1: £3.4m) due to new customer wins and upsells across all our Foundation products. This was offset by a reduction in our Foundation Support & Maintenance revenue which decreased 2% to £12.3m (2022 H1: £12.5m) with the expected exit of a Callista customer.

Cloud Services saw a large increase of 21% to £5.0m (2022 H1: £4.1m) as customers continue to migrate to Tribal: Cloud and Edge increased to £2.8m (2022 H1: £2.5m).

Professional Services revenue decreased 34% to £5.1m (2022 H1: £7.7m) mainly due to lower NTU contract revenue compared to H1 2022.

Other Software and Services revenue decreased 12% to £4.8m (2022 H1: £5.4m) mainly due to gradual reductions within the Australian Department of Education (DoE) contract as previously flagged, and continued Schools edge churn as expected. The DoE contract is anticipated to complete by June 2024, and therefore the remaining £1.5m of ARR has been removed.

The Technical and Further Education colleges New South Wales, "TAFE NSW" transition to their new provider is expected to conclude around the end of 2023 at which point no further revenue will be generated. TAFE's expected contribution to the 2023 Group's revenue is in the region of £3m and was removed from ARR at the end of 2022.

Education Services increased significantly by 36.7% to £9.7m (2022 H1: £7.1m).

School Inspections and Related Services revenue increased to £8.1m (2022 H1: £5.9m) driven by the new National Tutoring Programme "NTP" contract won in July 2022 and the delivery of the Sharjah school inspection contract which started in September 2022. Along with several smaller project wins with individual US School Districts, this performance demonstrates the start of an improved approach to business development in ES.

Surveys and Data Analytics revenue increased to £1.5m (2022 H1: £1.2m). The revenues for Surveys have increased, as expected, due to the seasonality of the Southern Hemisphere International Student Barometer with most institutions participating every other year.

Adjusted Operating Profit (EBITDA) increased by 21.0% to £8.1m (2022 H1: £6.7m) and Adjusted Operating Margin increased to 18.6% (2022 H1: 15.6%).

Student Information Systems Adjusted Operating Profit increased to £13.4m (2022 H1: £11.5m) and Adjusted Operating Margin increased to 39.8% (2022 H1: 32.2%).

The increase in operating profit and margin is due to a c£1m positive impact from the net impact of the release of the NTU onerous contract provisions offset by associated costs.

Education Services Adjusted Operating Profit increased to £2.0m (2022 H1: £1.7m) and Adjusted Operating Margin decreased to 20.8% (2022 H1: 24.1%). The cost base has increased as we strengthened both the business development and marketing functions in order to improve the size and quality of our sales pipeline.

Central overheads representing costs in HR, IT, Finance, Marketing and Management that are not directly attributable to lines of business increased 12.5% to £7.3m (2022 H1: £6.5m). The increase was due to legal costs, unfavourable foreign exchange movements, and higher audit and 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 £4.7m (2022 H1: £1.6m). Statutory basic earnings per share increased 214% to 2.2p (2022 H1: 0.7p).

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

KPIs 6 months to 30 June	2023 H1	2022 H1 Reported	2022 Constant Currency	Change Constant Currency	Change Constant Currency %
Revenue	£43.4m	£42.4m	£42.7m	£0.7m	1.5%
Annual Recurring Revenue (ARR) at period end[1] (versus 31 Dec 2022)	£51.9m	£51.2m	£50.4m	£1.4m	2.8%
Committed Income (Order Book)	£163.7m	£172.9m	£170.7m	(£7.0)m	(4.1)%

(versus 31 Dec 2022)					
Gross Revenue Retention (GRR)[2]	92%	95%	-	(5pp)	-
Net Revenue Retention (NRR)[3]	99%	100%	-	(3pp)	-
Gross profit margin (%)	52.4%	46.5%	46.6%	5.8pp	-
Adjusted Operating Profit (EBITDA) [4,5]	£8.1m	£6.5m[2]	£6.7m	£1.4m	21.0%
Adjusted Operating Margin (EBITDA)[4,5]	18.6%	15.2%[2]	15.6%	3.0pp	-
Statutory Profit after Tax	£4.7m	£1.6m	-	£3.1m	194%
Statutory Basic Earnings per Share	2.2p	0.7p	-	1.5p	214%
Net Cash/(Debt)	£(12.9)m	£(4.8)m	-	£(8.1)m	(169%)
Free Cash Out Flow [6]	£(9.4)m	£(10.0)m	-	£0.6m	6.0%
Operating Cash Conversion[6]	12%	(14)%	-	26pp	-
Staff Retention	92%	92%	-	-	-

[1] Annual Recurring Revenue (ARR) at period end is a forward-looking metric and includes Support & Maintenance fees, Software subscription Licences, Cloud Services and is assessed as contracted ARR at the 30 June 2023 and 31 December 2022, of which some is still to be delivered.
2 Gross Revenue Retention: Calculated as a percentage of recurring revenue retained from existing customers at 1 January including contract expiry, cancellations or downgrades in the year.
3.Net Revenue Retention: 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.
[4] In line with FRC guidance, presentational changes have been made to move employee related share option charges, including employer related taxes (H1 2023: £0.2m; H1 2022: £0.6m) to Adjusted EBITDA from previously reported 'other items'.
5 Adjusted Operating Profit and Adjusted Operating Margin is in respect of continuing operations and exclude charges reported in 'Exceptional items', previously known as 'other items', of £0.4m (2022 H1: £1.3m), refer to notes 4 and 5 in this report, and before Interest, Tax, Depreciation and Amortisation.
[6] For definitions refer to Free Cash Flow sections 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 2.8% on a constant currency basis to £51.9m (2022 FY: £50.4m).

Cloud ARR grew by 14.5% to £11.6m (2022 FY: £10.1m) with three new Cloud migration sales in H1 2023, and Foundation Software increased 25.0% to £6.8m (2022 FY: £5.4m) with uplifts to the existing customer base and a new SITS:Vision sale to London School of Science and Technology (LSST).

Other Software and Services decreased by 28.6% to £3.6m (2022 FY: 5.0m) due to the removal of £1.5m from the Australian DoE contract which is expected to be fully delivered by end June 2024. One remaining government contract is expected to end June 2025, and therefore £1m of ARR will be removed in June 2024.

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 2023. 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, software licence and support and maintenance revenue, Cloud revenues and all professional services. As of 30 June 2023, this decreased 4.1% to £163.7m (2022 FY: £170.7m) primarily due to the delivery of large multi-year ES renewals won during 2022.

Gross Revenue Retention (GRR) and Net Revenue Retention (NRR)

GRR has dropped to 92% from 95% in prior year, this increase in churn is driven by the loss of NTU and lower revenues for DoE. These two customers have dropped £2.7m in recurring revenue, equating to 4.9pp of the GRR decrease. Aside from these customers our churn rate is slightly improved against prior year.

NRR has dropped to 99% from 100% in prior year, despite the material drops noted above we continue to grow revenues particularly in foundation software and cloud as we continue upsell to customers and cloud migrations continue to drive up recurring revenue.

Product Development Costs

The Group invested £7.4m (2022 H1: £8.1m) in product development activity, of which £4.6m of Edge costs were capitalised (2022 H1: £5.4m). Edge investment to date, including Dynamics and Semestry, totals £41.9m. Annual development spend will continue to reduce from the peak in FY22 to match product development pace with customer needs. The net P&L charge after removing capitalised spend was £2.7m (2022 H1: £2.7m) this includes £0.7m in respect of amortisation (H1 2022: £0.5m), as we continue to invest in our Foundation products, adding new modules and additional functionality as well as statutory updates.

Net (Borrowings) / Cash and Cash flow

Cash flow 6 months to 30 June £m	**2023 H1**	**2022 H1 Reported**
Net cash (used in) operating activities before tax	**(3.4)**	**(1.8)**
Tax and other items	(1.4)	(2.8)
Capitalised product development	(4.6)	(5.6)
Proceeds from shares	-	0.2
Free Cash Flow	**(9.4)**	**(10.0)**
Consideration paid for acquisitions, inc. deferred consideration	(0.1)	(0.8)
Loan drawdown	7.8	7.5
Net (decrease) in cash & cash equivalents	**(1.7)**	**(3.3)**
Cash & cash equivalents at beginning of the year	2.9	5.9
Cash & cash equivalents at end of period	**1.2**	**2.6**
Less: Effect of foreign exchange rate changes	(0.1)	0.1
Cash & cash equivalents at end of period	**1.1**	**2.7**
Borrowings (excluding overdrafts)	(14.0)	(7.5)
Net (Borrowings) at the end of the period	**(12.9)**	**(4.8)**

The Group used net cash of £3.4m in operating activities before tax (2022 H1: £1.8m) from increased operating cash flows from continuing operations £7.8m (2022 H1 £6.4m) and higher than traditional first half deterioration in working capital £11.1m (2022 H1 £8.2m). The higher working capital movement is mainly due to the reversal of the NTU onerous contract provision. Overall, cash flow has been impacted by traditional seasonality with lower proportion of renewals in the first half of the year, costs of the NTU programme team with no associated revenue and working capital outflows from ES contracts in the Middle East.

Tax and other items include a £1.1m reduction in net tax paid in the first half year, with tax paid in 2023 £0.8m (2022 H1: £1.9m) as a result of reduced overseas corporation tax payments due to lower overseas profits in 2022 compared to 2021. In addition, the net gain on forward foreign exchange contracts increased by £0.1m in the first half of 2023 compared to 2022 H1 reflecting the trends in AUD to GBP over both periods.

In line with the Group's product investment strategy, there has been a reduction in capitalised product development spend reducing to £4.6m (2022 H1: £5.6m). Proceeds from the issue of shares was £nil (2022 H1: £0.2m) due to the timing of share sales related to share-based payments schemes.

Consideration paid for acquisitions, including deferred consideration, decreased by £0.7m to £0.1m (2022 H1: £0.8m) as the final payment relating to the Semestry Limited acquisition was made in 2022. The remaining deferred consideration in respect of the acquisition of the assets of Eveoh BV is £0.1m which is likely to be paid by the end of the two year earnout period ending September 2023.

The loan drawdown increased £6.5m to £14.0m (2022 H1: £7.5m) to assist with the working capital requirements in the first half of the year. 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 highly unlikely, and therefore does not have a significant impact on the Group's ability to continue as a going concern.

Operating Cash Conversion is 12% (H1 2022: (14)%) and is calculated as net cash (used in) / from operating activities before tax, less any significant one off items as a proportion of adjusted operating profit (EBITDA). This is presented excluding capitalised expenditure, as it is considered discretionary. For H1 2022, this excluded the cash outflow of £0.8m on the Veritas programme, which went live in January 2023 and was deemed a one-off item. Cash conversion has been impacted by the reversal of the onerous contract provision.

Net Borrowings and Free Cash Flow: At the end of the period, the Group had Net Borrowings of £12.9m (2022 FY: Net Borrowings £3.4m; 2022 H1: Net Borrowings £4.8m) and Free Cash Flow of £(9.4)m (2022 H1: £(10.0)m).

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.

The Group has loan facilities of £17m of which £14m was drawn down as at 30 June 2023 (2022 H1: £7.5m) 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 current banking facilities expire in December 2024, and negotiations for a new facility are expected to be completed this financial year.

Items excluded from adjusted profit figures: A full explanation of "exceptional items" is included in note 5. In line with Financial Reporting Council (FRC) guidance, in 2023 we made a change to our accounting policy in respect of previously reported "other items", reclassifying some items as underlying activities. Items included are: employee related share option charges including employer related taxes, amortisation of acquired software, and amortisation of acquired customer contracts and relationships. Prior periods have been restated.

The negative impact on Adjusted EBITDA has been £0.2m in H1 2023, with an anticipated 2023 full year impact of £0.7m; £0.6m from for the six months ended 30 June 2022 and £0.5m for the full year ended 31 December 2022.

The negative impact on previously reported operating profit before other items (adjusted operating profit) has been £1.1m for the six months ended 30 June 2022 and £1.5m for the year ended 31 December 2022.

The exceptional items in 2023 are as follows:

- **Acquisition related costs**: Amounts relating to the consultancy and legal costs of potential acquisitions in the period total £0.1m. (30 June 2022: £0.1m).

- **Restructuring and associated costs** relate to the restructuring of the Group's operations, including properties. (30 June 2023: £0.3m; 30 June 2022: £0.6m).

Share Options and Share Capital: There have been no share options issued in this period.

Dividends: The final dividend for 2022 of 0.65p was paid by the Company in July 2023. 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 2023

	Note	Six months ended 30 June 2023 £'000	Restated* Six months ended 30 June 2022 £'000	Restated* Year ended 31 December 2022 £'000
Revenue	4	43,377	42,413	83,585
Cost of sales		(20,727)	(22,785)	(52,250)
Gross profit		22,650	19,628	31,335
Total administrative expenses		(16,704)	(16,362)	(30,556)
Operating profit	4	5,946	3,266	779
Analysed as:				
Operating profit (before exceptional items)		6,312	4,604	2,901
Exceptional items		(366)	(1,338)	(2,122)
Operating profit (EBIT)		*5,946*	*3,266*	*779*
Investment income		143	54	25
Finance costs	6	(204)	(205)	(417)
Profit before tax		5,885	3,115	387
Tax charge	7	(1,164)	(1,546)	(897)
Profit/(loss) attributable to the owners of the parent		4,721	1,569	(510)
Earnings per share				
Basic	8	2.2p	0.7p	(0.2)p
Diluted	8	2.2p	0.7p	(0.2)p

*See note 5

All activities are from continuing operations

Condensed consolidated statement of comprehensive income and expense
For the six months to 30 June 2023

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Profit/(loss) for the period	4,721	1,569	(510)
Other comprehensive (expense)/income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit pension schemes	-	-	262
Deferred tax on measurement of defined benefit pension schemes	-	-	(66)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(168)	811	595
Other comprehensive (expense)/income for the period net of tax	(168)	811	791
Total comprehensive income for the period attributable to equity holders of the parent	4,553	2,380	281

Condensed consolidated balance sheet
As at 30 June 2023

	Note	**30 June 2023 £'000**	30 June 2022 £'000	31 December 2022 £'000
Non-current assets				
Goodwill	9	28,719	29,285	29,176
Other intangible assets	10	47,256	40,540	43,667
Property, plant and equipment		936	1,053	1,044
Right of use assets		1,033	1,188	1,435
Net investment in lease		46	93	70
Deferred tax assets		5,127	5,033	5,064
Retirement benefit scheme assets		72	-	72
Contract assets		-	94	-
		83,189	77,286	80,528
Current assets				
Trade and other receivables	11	16,271	11,438	12,505
Net investment in lease		47	47	47
Contract assets		6,423	10,492	6,676
Current tax assets		173	136	421
Cash and cash equivalents (excluding bank overdrafts)	16	1,639	2,718	2,891
		24,553	24,831	22,540
Total assets		107,742	102,117	103,068
Current liabilities				
Trade and other payables	12	(5,394)	(6,730)	(5,788)
Contract liabilities		(22,790)	(22,430)	(26,004)
Accruals		(9,051)	(7,682)	(8,622)
Current tax liabilities		(1,273)	(1,829)	(1,145)
Lease liabilities		(584)	(801)	(728)
Borrowings	16	(519)	-	(35)
Provisions	13	(875)	(794)	(5,194)
		(40,486)	(40,266)	(47,516)
Net current liabilities		(15,933)	(15,435)	(24,976)
Non-current liabilities				
Contract liabilities		(17)	(187)	(141)
Retirement benefit obligations		-	(215)	-
Lease liabilities		(497)	(560)	(721)
Other payables	12	(168)	(125)	(209)
Deferred tax liabilities		(2,766)	(2,904)	(2,930)
Borrowings	16	(14,000)	(7,500)	(6,250)
Provisions	13	(249)	(757)	(483)
		(17,697)	(12,248)	(10,734)
Total liabilities		(58,183)	(52,514)	(58,250)
Net assets		49,559	49,603	44,818
Equity				
Share capital	14	10,611	10,534	10,611
Share premium		83	19,186	83
Other reserves		28,786	28,573	28,598
Accumulated profit/(losses)		10,079	(8,690)	5,526
Total equity attributable to equity holders of the parent		49,559	49,603	44,818

Condensed consolidated cash flow statement
for the six months to 30 June 2023

	Note	**Six months ended 30 June 2023 £'000**	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Net cash (used in)/from operations	15	(4,192)	(3,760)	6,106
Investing activities				
Purchases of property, plant and equipment		(191)	(395)	(716)
Expenditure on intangible assets	10	(4,635)	(5,593)	(10,369)
Payment of deferred contingent consideration for acquisitions	13	(46)	(788)	(994)
Proceeds from sub-leases		25	4	29
Net gain on forward contracts		142	54	23
Net cash outflow from investing activities		(4,705)	(6,718)	(12,027)
Financing activities				
Interest paid		(166)	(38)	(229)
Loan arrangement fees		(2)	(9)	(9)
Loan drawdown	16	7,750	7,500	8,500
Loan repayment		-	-	(2,250)
Equity dividend paid		-	-	(2,736)
Proceeds on issue of shares		-	241	573
Principal paid on lease liabilities		(377)	(462)	(943)
Interest paid on lease liabilities		(21)	(33)	(60)
Net from/(cash used) in financing activities		7,184	7,199	2,846
Net decrease in cash and cash equivalents		(1,713)	(3,279)	(3,075)
Net cash and cash equivalents at beginning of period		2,856	5,924	5,924
Effect of foreign exchange rate changes		(23)	73	7
Net cash and cash equivalents at end of period	16	1,120	2,718	2,856

Condensed consolidated statement of changes in equity
For the six months to 30 June 2023

	Note	Share Capital £'000	Share Premium £'000	Other reserves £'000	Accumulated losses £'000	Total Equity £'000
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 income 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 credit 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
Loss for the period		-	-	-	(2,079)	(2,079)
Other comprehensive expense for the period		-	-	-	(20)	(20)
Total comprehensive expense for the period		-	-	-	(2,099)	(2,099)
Issue of equity share capital		77	256	-	-	333
Share premium capital reduction		-	(19,359)	-	19,359	-
Equity dividend paid		-	-	-	(2,736)	(2,736)
Credit to equity for share-based payments		-	-	31	-	31
Tax credit on credit to equity for share-based payments		-	-	-	(308)	(308)
Foreign exchange difference on share-based payments		-	-	(6)	-	(6)
Contributions by and distributions to owners		77	(19,103)	25	16,315	(2,686)
Balance at 31 December 2022		10,611	83	28,598	5,526	44,818
Profit for the period		-	-	-	4,721	4,721
Other comprehensive expense for the period		-	-	-	(168)	(168)
Total comprehensive income for the period		-	-	-	4,553	4,553
Credit to equity for share-based payments		-	-	213	-	213
Foreign exchange difference on share-based payments		-	-	(25)	-	(25)
Contributions by and distributions to owners		-	-	188	-	188
Balance at 30 June 2023		**10,611**	**83**	**28,786**	**10,079**	**49,559**

Notes to the condensed consolidated financial information
for the six months to 30 June 2023

1. General information

The condensed consolidated financial information for the six months ended 30 June 2023 was approved by the Board of Directors on 24 August 2023. 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 2022 were approved by the Board of Directors on 23 March 2023. 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 2022 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 2022.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, with the exception of the change in the accounting policy for exceptional items which is detailed in note 5.

3. Going concern

Tribal had net cash and cash equivalents of £1.1m at the end of H1 2023, and borrowings of £14.0m. The Group has access to a £2.0m committed overdraft facility in the UK and a $AUD 2.0m committed overdraft facility in Australia. As at June 2023 there was $1.0m available but undrawn in respect of the AUS overdraft facility ($1.0m (£0.5m) had been drawn down) and £2.0m available but undrawn in respect of the UK overdraft facility. The Group has entered into a £17m loan facility to cover temporary 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 2023 and into 2024 which provides a good level of protection and certainty to the business. The Group's net current liability position has decreased to £15.9m from £25.0m, this being driven by the release of all contract balances including the release of the onerous contract provision, and net current contract liabilities of £22.8m 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. 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 Group's going concern position the Directors have considered all relevant facts, latest forecasts, an assessment of the risks faced by the Group, and considered potential changes in trading performance with particular focus on the challenges faced with the implementation of the NTU contact. 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 highly unlikely, and therefore does not have a significant impact on the Group's ability to continue as a going concern. Accordingly, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements 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. 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**		
					Restated*	Restated*
	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £000
Student Information Systems	33,707	35,470	68,161	12,369	10,235	11,876
Education Services	9,670	6,943	15,424	1,923	1,643	3,719
Total	43,377	42,413	83,585	14,292	11,878	15,595
Unallocated corporate expenses				(7,618)	(6,727)	(11,596)
Amortisation of acquired software and customer contracts & relationships				(362)	(547)	(1,098)
Adjusted operating profit				6,312	4,604	2,901
Exceptional items				(366)	(1,338)	(2,122)
Operating profit				5,946	3,266	779

* see note 5

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 2022: £1.0m; 31 December 2022 £2.6m) and within Education Services £0.1m (30 June 2022: £0.1m; 31 December 2022: £0.1m). 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 8% (31 December 2022: 5%) have arisen from the Segments largest customer: within SIS revenues of approximately 4% (31 December 2022: 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 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
UK	27,762	25,086	51,850
Australia	7,762	9,106	18,094
Other Asia Pacific	2,509	4,871	5.960
North America	2,238	1,880	3,616
Rest of the world	3,106	1,470	4,065
	43,377	42,413	83,585

4. 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 2023 £'000	Restated* Six months ended 30 June 2022 £'000	Restated* Year ended 31 December 2022 £'000
Statutory Operating profit	5,946	3,266	779
Amortisation of Development cost and acquired Intellectual Property	656	475	1,301
Amortisation of other intangibles	3	11	20
Depreciation on Property, Plant & Equipment	283	318	623
Depreciation of right-of use assets	460	512	1,036
Amortisation of acquired software	133	314	628
Amortisation of acquired customer contracts & relationships	229	233	470
Other exceptional costs	366	1,338	2,122
Adjusted Operating Profit (EBITDA)	8,076	6,467	6,979

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Adjusted EBITDA	8,076	6,467	6,979
Exceptional items	(366)	(1,338)	(2,122)

EBITDA before exceptional items	7,710	5,129	4,857
Depreciation & amortisation	(1,764)	(1,863)	(4,078)
Operating profit (EBIT)	5,946	3,266	779
Net financing costs	(61)	(151)	(392)
Profit before tax	5,885	3,115	387

In previous periods adjusted measures of profits and adjustments have been presented in a separate column in the consolidated income statements. These adjustments were described as "Other Items" which are defined in the notes to the financial statements as "items 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". The exclusion of certain items from adjusted measures of profits is a policy choice and has been reviewed by Management (see note 5). This year a decision was made to change the presentation and classification of "Other items" and is supported by additional disclosure in the financial statements. See below for the presentation changes.

	30 June 2022				31 December 2022			
	Restated	As Reported			Restated	As Reported		
	£'000	Adjusted £'000	Other items £'000	Statutory £'000	£'000	Adjusted £'000	Other items £'000	Statutory £'000
Continuing operations								
Revenue	42,413	42,413	-	42,413	83,585	83,585	-	83,585
Cost of sales	(22,785)	(22,785)	-	(22,785)	(52,250)	(52,250)	-	(52,250)
Gross profit	19,628	19,628	-	19,628	31,335	31,335	-	31,335
Total administrative expenses	(16,362)	(13,883)	(2,479)	(16,362)	(30,556)	(26,886)	(3,670)	(30,556)
Operating profit/(loss)	3,266	5,745	(2,479)	3,266	779	4,449	(3,670)	779
Analysed as:								
Operating profit (before exceptional items)	4,604	-	-	-	2,901	-	-	-
Exceptional items	(1,338)	-	-	-	(2,122)	-	-	-
Operating profit (EBIT)	*3,266*	-	-	-	*779*	-	-	-
Investment income	54	54	-	54	25	25	-	25
Finance costs	(205)	(95)	(110)	(205)	(417)	(323)	(94)	(417)
Profit/(loss) before tax	3,115	5,704	(2,589)	3,115	387	4,151	(3,764)	387

5. Exceptional items

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Acquisition related costs	(74)	(67)	(186)
Internal systems transformation programme "VERITAS"	-	(707)	(1,321)
Restructuring and associated costs	(292)	(564)	(615)
Total exceptional items	**(366)**	**(1,338)**	**(2,122)**

Exceptional items are not part of the Group's underlying trading activities and include the following:

Acquisition related costs: Amounts relating to the consultancy and legal costs of potential acquisitions in the period total £74,000. (30 June 2022: £67,000; 31 December 2022: £186,000).

Internal systems transformation programme "Veritas": The upgrade of the accounting system went live in January 2023. In 2022 £1,321,000 of costs were included as exceptional items as the upgrade was material and non-recurring in nature. In 2023 all further costs associated with this project have been expensed as part of the Group's underlying activities.

Restructuring and associated costs relate to the restructuring of the Group's operations, including properties. (30 June 2023: £292,000; 30 June 2022: £564,000; 31 December 2022: £615,000).

In 2023 we have made a change to our accounting policy in respect of previously reported "other items". As a result, certain items of income or expense previously included as "other items" have been classified as underlying activities. Previously reported "other items" are now referred to as "exceptional items". Items reclassified are employee related share option charges, including employer related taxes (30 June 2022: £594,000; 31 December 2022: £450,000), amortisation of acquired software (30 June 2022: £314,000; 31 December 2022: £628,000) and amortisation of acquired customer contracts and relationships (30 June 2022: £233,000; 31 December 2022: £470,000). Prior periods have been restated. The amount included in underlying activities at June 2023 for employer related taxes is £207,000. The impact on previously reported operating profit before other items (adjusted operating profit) has been to reduce adjusted operating profit for the six months ended 30 June 2022 by £1,141,000 and to reduce adjusted operating profit for the year ended 31 December 2022 by £1,548,000.

6. Finance costs

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Interest on bank overdrafts and loans	165	44	229
Loan arrangement fees	2	9	9
Net interest payable on retirement benefit obligations	-	-	4
Interest expense on lease liabilities and dilapidation provisions	36	42	81
Unwinding of discounts	1	110	94
Total finance costs	204	205	417

7. Tax

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Current tax			
UK Corporation tax	-	-	(1,381)
Overseas tax	1,382	1,311	1,967
Adjustments in respect of prior periods	-	-	483
	1,382	1,311	1,069
Deferred tax			
Current period	(226)	170	(212)

Adjustments in respect of prior periods	8	65	40
	(218)	235	(172)
Tax charge on profits	1,164	1,546	897

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.

8. 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 2023 thousands	Six months ended 30 June (restated)* 2022 thousands	Year ended 31 December 2022 thousands
Basic weighted average number of shares in issue	213,713	211,279	211,627
Dilutive weighted average number of employee share options	3,117	3,296	3,236
Total weighted average number of shares outstanding for dilution calculations	216,830	214,575	214,863

* The June 2022 basic calculation has been re-stated to include 1,048,781 LTIP and CSOP shares that have met the vesting criteria but have yet to be exercised. The previously reported share numbers used are as follows: Basic weighted average shares 210,230,000; Dilutive weighted average shares 6,355,000; Total weighted average shares 216,585,000. The previously reported Basic or diluted EPS did not change.

Diluted earnings per share only reflects the dilutive effect of share options for which performance criteria have been met. In regards the diluted loss per share in 2022, all potentially dilutive ordinary shares, including options, are anti-dilutive as they would decrease the loss per share.

The maximum number of potentially dilutive shares, based on options that have been granted but have not yet met vesting criteria, is 3,116,783 (31 December 2022: 3,328,168). This includes 92,157 options in the 2019 SAYE Scheme (31 December 2022: 92,157).

The "adjusted" basic and diluted earnings per share figures 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 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000

Net profit/(loss)	4,721	1,569	(510)
Earnings per share			
Basic	2.2p	0.7p	(0.2)p
Diluted	2.2p	0.7p	(0.2)p
Net profit (before exceptional items)*	5,041	3,132	59
Adjusted earnings per share			
Basic	2.3p	1.5p	-
Diluted	2.3p	1.5p	-

*Net profit (before exceptional items) is calculated as below:

Profit (before exceptional items)	6,312	4,604	2,901
Investment income	143	54	25
Finance costs	(204)	(205)	(417)
Operating profit (before exceptional items) before tax	6,251	4,453	2,509
Tax charge (before exceptional items)	(1,210)	(1,321)	(2,450)
Net profit (before exceptional items)	5,041	3,132	59

9. Goodwill

	£'000
Cost	
At 1 January 2023	110,407
Exchange differences	(457)
At 30 June 2023	109,950
Accumulated impairment losses	
At 1 January 2023	81,231
At 30 June 2023	81,231
Net book value	
At 30 June 2023	28,719
At 31 December 2022	29,176

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.

10. Other intangible assets

	Acquired Software £'000	Acquired Customer contracts and relationships £'000	Acquired intellectual property £'000	Development costs £'000	Business systems £'000	Software licences £'000	Total £'000
Cost							
At 1 January 2023	12,582	9,902	1,873	55,314	75	44	79,790

Additions	-	-	-	4,635	-	-	4,635
Exchange differences	(270)	(115)	-	(120)	-	-	(505)
At 30 June 2023	12,312	9,787	1,873	59,829	75	44	83,920
Amortisation							
At 1 January 2023	9,283	7,189	950	18,657	-	44	36,123
Charge for the period	133	229	49	607	3	-	1,021
Exchange differences	(270)	(90)	-	(120)	-	-	(480)
At 30 June 2023	9,146	7,328	999	19,144	3	44	36,664
Carrying amount							
At 30 June 2023	3,166	2,459	874	40,685	72	-	47,256
At 31 December 2022	3,299	2,713	923	36,657	75	-	43,667

Software and customer contract and relationships have arisen from acquisitions, and are amortised over their estimated useful lives, which are 3-8 years and 3-15 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 and impairment of development costs, amortisation for software, customer contracts and relationships, intellectual property, business systems and software licences are all included within administrative expenses.

Management have reassessed the useful economic life (UEL) of the previously acquired software relating to the Tribal Dynamics and Semestry intangible assets. As a result the UEL of these assets has been aligned with that of the Tribal Edge product, reflecting the fact that these products are integral to Edge. This has been treated as a change in accounting estimate from 1 January 2023. Prior periods have not been adjusted. The net impact of this change in accounting estimate resulted in a reduced charge to the Income Statement of £180,000 in the period (Charge to 30 June 2023: £145,000; under previous estimate £325,000).

11. Trade and other receivables

	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
Amounts receivable for the sale of services	10,467	6,651	7,387
Less: loss allowance	(203)	(96)	(194)
	10,264	6,555	7,193
Other receivables	1,165	542	828
Prepayments	4,842	4,341	4,484
	16,271	11,438	12,505

12. Trade and other payables

	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
Current			
Trade payables	2,003	1,803	1,010
Other taxation and social security	2,646	3,050	2,498
Other payables	745	1,877	2,280
	5,394	6,730	5,788
Non-current			
Other payables	168	125	209

Total	5,562	6,855	5,997

13. Provisions

	Property related £'000	Deferred Contingent Consideration £'000	Onerous Contracts £'000	Other £'000	Total £'000
At 1 January 2023	833	184	4,497	163	5,677
Net movement in provision	16	-	(3,927)	32	(3,879)
Utilisation of provision	(49)	(46)	-	-	(95)
Exchange rate movement	(9)	-	(570)	-	(579)
At 30 June 2023	791	138	-	195	1,124

The provisions are split as follows:

	Property related £'000	Deferred Contingent Consideration £'000	Onerous Contracts £'000	Other £'000	Total £'000
Within one year	542	138	-	195	875
More than one year	249	-	-	-	249
Total	791	138	-	195	1,124

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 by property and is between 2.65% and 5.5%.

Onerous contract provision relates to a specific contract and represents the unavoidable costs of meeting the obligations under the contract that exceed the economic benefit expected to be received under it.

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 2023 and the resultant payments are due under the Sale and Purchase Agreements. As at 30 June 2023 deferred contingent consideration amounts to £138,000 for the assets of Eveoh BV. During the period payments totalling £46,000 were made.

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

14. Share capital

	Six months ended 30 June 2023 number	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 number	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 number	Year ended 31 December 2022 £'000
Allotted, called up and fully paid						
At beginning of the period	212,221,746	10,611	210,374,373	10,519	210,374,373	10,519
Issued during the period	-	-	314,406	15	1,847,373	92
At end of the period	212,221,746	10,611	210,688,779	10,534	212,221,746	10,611

The Company has one class of ordinary shares of 5p which carry no right to fixed income.

15. Notes to the cash flow statement

	Six months ended 30 June 2023 £'000	Restated Six months ended 30 June 2022 £'000	Restated Year ended 31 December 2022 £'000
Operating profit	5,946	3,266	779
Depreciation of property, plant and equipment	283	318	623
Depreciation of right-of-use assets	460	488	1,036
Amortisation and impairment of other intangible assets	1,021	1,033	2,419
Share based payments	213	557	589
Research and development tax credit	(97)	(121)	(177)
Net pension credit	-	-	(29)
Other non-cash items	(44)	848	23
Operating exceptional items	366	1,338	2,122
Cash (used in)/generated from operations before exceptional items and movements in working capital	8,148	7,727	7,385
Increase in receivables	(3,436)	(3,647)	(808)
(Decrease)/increase in payables	(7,698)	(4,537)	4,252
Cash (used in)/generated from operations before exceptional items	(2,986)	(457)	10,829
Cashflow relating to operating exceptional items			
Operating exceptional items	(260)	(1,362)	(2,228)
Movement in working capital of exceptional items	(106)	24	106
Cash outflow from exceptional items	(366)	(1,338)	(2,122)
Net cash (used in)/from operating activities before tax	(3,352)	(1,795)	8,707
Net tax paid	(840)	(1,965)	(2,601)
Net cash (used in)/from operating activities	(4,192)	(3,760)	6,106
Net cash (used in)/from operating activities before tax can be analysed as follows:			
Continuing operations	(3,352)	(1,795)	8,707

16. Analysis of net debt

	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
Cash and cash equivalents	1,639	2,718	2,891
Overdrafts	(519)	-	(35)
Borrowings	(14,000)	(7,500)	(6,250)
Net debt	(12,880)	(4,782)	(3,394)

Analysis of changes in net debt

	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
Opening net debt	(3,394)	5,924	5,924
Borrowings	(7,750)	(7,500)	(6,250)
Net decrease in cash and cash equivalents	(1,713)	(3,279)	(3,075)
Effect of foreign exchange rate changes	(23)	73	7
Closing net debt	(12,880)	(4,782)	(3,394)

17. 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 £0.6m (30 June 2022: £1.3m, 31 December 2022: £0.8m). These are not expected to result in any material financial loss and the likelihood of using these guarantees is assessed as remote.

During 2022 progress was made in the Group relief claim from Care UK for the year ended 31 March 2007, which resulted in management reducing the uncertain tax provision previously recognised by £1.3m. A provision of £0.1m still remains, this being calculated as the maximum adjustment that Tribal may have to pay. Correspondence to date from HMRC does not suggest that there will be any adjustment to the original claim Tribal submitted, however until the case is closed HMRC's position could change. Following legal advice, Tribal signed a further standstill agreement until 31 December 2023 and the case is yet to be formally closed by HMRC.

The Group delivers complex multi-year projects which from time to time give rise to significant operational and commercial risks. Such risks may, in certain circumstances, lead to potential negotiations or disputes with customers which may give rise to consequential financial or commercial obligations or liabilities arising. The Group has a material contract which has been terminated with both parties reserving rights. No legal proceedings have been instituted (nor are they permitted to be brought) until the parties have participated in mediation in an attempt to achieve a resolution. The timing and outcome of that process is presently uncertain. It is possible that there may be a significant adverse financial impact on the Group but at this juncture the Board cannot still fully assess such potential impact, if any.

18. 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	30 June	31 December

	2023	2022	2022
	£'000	£'000	£'000
Short-term employee benefits	1,327	965	2,601
Termination benefits	-	132	202
Share-based payments	186	325	302
	1,513	1,422	3,105

19. 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 2022. 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
24 August 2023