

# Interim Results

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Personal Group Holdings PLC  
22 September 2020

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**PERSONAL GROUP HOLDINGS PLC**  
("Personal Group", "Company" or "Group")

**Interim Results for the six months ended 30 June 2020**

**A solid performance against the backdrop of Covid-19.**

Personal Group Holdings Plc, a technology enabled employee services provider, announces its interim results for the six months ended 30 June 2020. The Company has delivered a solid result, with overall performance in the first half of the year ahead of last year.

## Highlights

### Financial

- Group revenue rose 1.3% to £30.4m (2019: £30.0m)
- Adjusted EBITDA\* up 9.9% to £5.0m (2019: £4.5m)
- Profit before tax increased 2.3% to £4.2m (2019: £4.1m)
- Basic EPS of 11.0p (2019: 11.4p), a decrease of 3.5%
- Balance sheet remains strong with cash and deposits of £19.0m and no debt
- Dividends per share paid in the period of 7.40p (2019: 11.65p), reduced in Q2 due to COVID-19 uncertainty

### Operational

- Solid start to the year, with half year trading ahead of management's expectations at the start of the pandemic
- Core insurance business performed well, despite Covid-19 affecting new insurance sales activity
- Action taken to reposition field salesforce to virtual interactions and retaining current policyholders
- Continued increase in SaaS revenue, up to £10.2m (2019: £8.8m), predominantly driven by increased transactional spend through the Hapi platform, reaffirming usage by clients
- PG Let's Connect performance down on last year but held up better than expected at start of pandemic
- Worked with Sage, the Company's partner in the SME sector, to launch a limited free trial offer to Sage's customer base

*\* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation of intangible assets, goodwill impairment, share-based expense payments, corporate acquisition costs, restructuring costs and the release of tax provisions. This definition applies to all references to Adjusted EBITDA within these interim results. A reconciliation from PBT to this Adjusted EBITDA has been included in Note 3.*

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

"Our robust recurring revenue model across the Group has enabled us to weather the initial storm of Covid-19 and resulted in continued growth, delivering a first half ahead of the same period in 2019. The pandemic will not be without consequences for us however, and we are working hard to minimise the impact of both a period with minimal new sales activity and the predicted post Covid-19 recession by widening our product offer, developing more channels to market, and ensuring that our policyholders are supported if they experience job changes or redundancy. I am confident that we are in a strong position to deliver against these objectives and we have used the period of lockdown constructively to develop our business to deliver future stability.

In protecting the unprotected, we are proud to say that we have supported bereaved families and hospitalised policyholders throughout the Covid crisis - making sure all claims were paid in full as quickly as possible. It is more important than ever that employers look after the health and wellbeing of their workforces, ensuring they have the appropriate cover in place if they fall ill."

**- ENDS -**

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Notes to Editors

Personal Group Holdings Plc (AIM: PGH) is a technology enabled employee services business, working with employers to drive productivity through better employee engagement and a more motivated workforce. With over 35 years' experience, the Company provides employee benefits and services to a large number of employees across the UK.

Personal Group's offer comprises in-house services, including employee insurance products (hospital, convalescence plans and death benefit), the provision of home technology via salary sacrifice (iPads, computers, laptops, smart phones and smart TVs), the provision of e-payslips, and pay and reward consulting via Innecto, the leading independent UK consultancy acquired in 2019. Third party services include retail discounts, employee assistance programmes, wellbeing programmes and salary sacrifice cars and bikes.

The product offer is provided via the Company's proprietary technology platform, Hapi. The platform is intuitive, designed primarily for app deployment and also accessible via web and tablet, driving better engagement, communication and value recognition. Hapi is flexible and can quickly integrate additional services, such as existing employee services and partner platforms. Hapi is a digital SaaS product.

Through technology and select acquisitions, the Company has grown its addressable market to the majority of the working population in the UK; including 15.6m SME employees targeted via its partnership with Sage, the UK's largest software company.

Personal Group's innovative approach to using technology to deliver its programmes, in combination with its face-to-face method of communicating with employees, delivers a compelling offer to blue-chip clients across the UK as a way of attracting, retaining and motivating employees. The acquisition of Innecto in February 2019 allows Personal Group to engage with clients earlier in their thinking around Pay and

Reward, and to interact with a new base of blue-chip and fast growth clients typically at HR Director and CEO level.

Personal Group has a strong client base across a diverse range of sectors. Clients include: Arsenal F.C., Barchester Healthcare Ltd, DHL Supply Chain Limited, The Go-Ahead Group plc, Samworth Brothers Ltd, Independent Television News, Stagecoach Group plc and Wincanton plc.

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

## Interim Results Statement

### Introduction

The Company had a positive start to the year, with revenue, adjusted EBITDA and profit before tax all ahead of the same period last year and comfortably ahead of the Company's expectations at the start of the pandemic. Whilst much of the Company's focus in the first half of 2020 was on the impact of Covid-19 on business operations, the strong element of recurring revenue throughout the business meant that the impact on the financial position for the first six months was relatively limited.

### Financial Performance

Group revenue for the six months ended 30 June 2020 increased 1.3% to £30.4m (2019: £30.0m). This increase was driven by an improved performance in the SaaS business, alongside a slightly weakened performance from insurance and Let's Connect.

During the period, adjusted EBITDA increased by 9.9% to £5.0m (2019: £4.5m). This was predominantly as a result of reduced costs within the insurance business, as new business activity ceased due to Covid-19, together with improved SaaS performance, offset by a weakened result from Let's Connect.

Profit before tax was up 2.3% to £4.2m (2019: £4.1m), however earnings per share reduced 3.5% to 11.0p (2019: 11.4p) as the Company had benefitted from the release of a tax provision in the previous year.

During the period, the Company paid dividends of 7.41p per share (2019: 11.65p). As previously announced, the Company's Q2 dividend was reduced to 1.5p as a result of uncertainty around the impact of the Covid-19 crisis. Also, as previously announced, the Company's third dividend for 2020, of 5.9p per share, back to the level paid in Q1, will be paid on 25 September 2020 to members on the register on 21 August 2020.

The Company's balance sheet remained strong with total cash and deposits of £19.0m and no debt at the period end.

### Business Review

The core insurance division again produced a solid performance with revenue slightly below last year but adjusted EBITDA was up 16% to £4.5m (2019: £3.6m). Retention rates for existing policyholders strengthened slightly, reflecting the value of the Company's hospital plan and death benefit product during the pandemic. Claims ratios remained fairly static, with additional Covid-19 claims mitigated by reduced levels of general activity within the NHS more widely. The Company's face to face sales activity was inevitably put on hold during lockdown, resulting in reduced new insurance sales of £2.1m annualised premium (2019: 4.6m), which will impact premium income in the second half of 2020 and into 2021. However, this also resulted in reduced employee and associated costs whilst the team were off the road. The Company has taken action to both reposition the salesforce to virtual interactions and to focus attention on policyholder retention, which will allow the flexibility to continue sales activity in the event of further lockdowns. The Claims and Customer Service teams have been working effectively from home during lockdown and the Company is very proud of the support and service given to policyholders, many of whom are key workers, making hospital in-patient and death claims.

Sales in PG Let's Connect, the Company's salary sacrifice technology business, held up well during the period at £5.2m (2019: £5.8m), helped by a widened product range to capitalise on people spending more time at home. The business also continued to benefit from Royal Mail's decision to run its salary sacrifice offer to its employees on a continuous basis. Adjusted EBITDA reduced to a £0.2m loss (2019: £0.3m profit) but Let's Connect has historically been a Q4 dominated business.

The Company's SaaS business saw a strong first half, with revenues increasing to £10.2m (2019: £8.8m). Whilst this increase was primarily driven by increased spend through the Hapi platform on products such as e-vouchers and reloadable cards, which make minimal contribution to profit, it does reflect increased usage of the platform, reinforcing its value to clients. Although new business activity slowed down in the period, revenue from provision of the platform also increased, reinforcing the benefit of this recurring revenue stream. The consultancy element of Innecto, the Company's pay and reward subsidiary, was directly impacted by clients going into lockdown, but the pipeline for this business is now starting to rebuild.

As noted in our half year trading update issued on 23 July 2020, the Company has worked with Sage, its partner in the SME sector, to launch a limited free trial offer of Sage Employee Benefits to Sage's customer base. Using Personal Group's in-house sales team to help embed the product with SME employers and their staff, they aim to demonstrate value in the platform to convert SME businesses at

the end of the free trial into monthly fee customers. So far, the initial trials have been positive, allowing Personal Group to showcase its platform to the vast Sage customer audience.

The Company had furloughed around 30% of its employees, the majority of whom were sales related field staff, at some point over lockdown and, to the end of June, had reclaimed c£300k from the Government's Job Retention Scheme. The majority of these staff have now returned to the business as a result of increasing demand for our services.

### **Market**

The market for employee benefits remains strong, with businesses looking to implement and/or develop their benefits programmes further. Covid-19 has also increased market awareness on the importance of employers having a benefits programme for their employees, particularly one with a focus on wellbeing. Personal Group has a strong proposition and is well placed to deliver these solutions into the market.

Looking ahead towards Brexit, as a UK-centric business, we believe that the increased pressure to retain and hire labour, and the associated costs created by Brexit will reinforce the value of our proposition.

### **Strategy**

As with most businesses, the onset of the Covid-19 pandemic resulted in the Company temporarily changing its focus to managing the business through the crisis. As we move into the second half of 2020, focus is now returning to positioning the Company to get on track to meet its aspirations to double EBITDA by 2025 with 1 million users of our Hapi platform.

This is expected to be achieved through expanding the Company's footprint into the wider economy for all segments of the business, as well as supplementing the overall proposition through acquisition where appropriate. We will seek to build a more balanced and broader portfolio that focusses on long-term profit and dividend growth, with less reliance on existing core markets.

### **Board changes**

Mark Winlow, Non-Executive Chairman, has expressed his intention to step down as Chairman at the Company's Annual General Meeting to be held in April 2021. Appointment of his successor is underway and further details will be announced in due course.

In addition, Andrew Lothian has expressed his intention to step down from his role as Executive Director and move to a Non-Executive position on the Board effective from 1 January 2021; at the same time, Ken Rooney will step down from the Board after 20 years, the last 5 having been served as Non-Executive deputy chairman. Ken will remain on the Board of Personal Assurance Plc, the insurance subsidiary, for the foreseeable future.

A further announcement will be made in due course regarding board changes.

### **Outlook**

Despite the strong start to 2020, the second half will not be without its challenges. As alluded to above, the inability to write new insurance sales during lockdown will impact premiums in H2 2020 and 2021 in the insurance business. Looking forward into the latter part of 2020 and 2021 the Company, like many UK businesses, may be impacted by a recession following lockdown. However, health and wellbeing will undoubtedly become a significant focus for all employers going forwards and the Company remains well placed to help them deliver on this.

The Group has a strong balance sheet with no debt and is well placed to grow and capitalise on opportunities that may arise alongside the wider global recovery. The Board remains confident in the long-term outlook for the Company.

Given the impact of Covid-19 in the second half of the year is currently uncertain, in particular the implications of any second wave of the virus, the Company is not in a position to provide market guidance at the current time.

Mark Winlow  
Non-Executive Chairman

Deborah Frost  
Chief Executive

22 September 2020

## **Consolidated Income Statement**

	<b>6 months ended 30 June 2020</b>	<b>6 months ended 30 June 2019</b>
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	Note	Unaudited £'000	Unaudited £'000
Gross premiums written		15,132	15,311
Outward reinsurance premiums		(89)	(100)
Change in unearned premiums		(168)	(45)
Change in reinsurers' share of unearned premiums		(9)	(10)
<b>Earned premiums net of reinsurance</b>		<u>14,866</u>	<u>15,156</u>
Other insurance related income		74	100
IT salary sacrifice income		5,241	5,830
SaaS income		10,147	8,834
Other non-insurance income		49	51
Investment income		57	59
<b>Revenue</b>		<u>30,434</u>	<u>30,030</u>
Claims incurred		(3,341)	(3,397)
Insurance operating expenses		(7,210)	(8,467)
Other insurance related expenses		(62)	(60)
IT salary sacrifice expenses		(5,535)	(5,637)
SaaS costs		(9,782)	(8,547)
Share-based payment expenses		(6)	(9)
Charitable donations		(50)	(50)
Amortisation of intangible assets		(216)	(252)
<b>Expenses</b>		<u>(26,202)</u>	<u>(26,419)</u>
Operating profit		4,232	3,611
Finance costs		(44)	(68)
Release of Provision	11	-	542
Share of profit of equity-accounted investee net of tax		-	7
<b>Profit before tax</b>		<u>4,188</u>	<u>4,092</u>
Tax	4	(756)	(547)
<b>Profit for the period after tax</b>		<u>3,432</u>	<u>3,545</u>
<b>Total comprehensive income for the period</b>		<u>3,432</u>	<u>3,545</u>
<b>Earnings per share</b>		Pence	Pence
Basic		11.0	11.4
Diluted		11.0	11.4

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

## Consolidated Balance Sheet

		At 30 June 2020 Unaudited	At 31 Dec 2019 Audited
	Note	£'000	£'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	6	12,696	12,696
Intangible assets	7	1,290	1,301
Property, plant and equipment	8	5,511	5,984
		<u>19,497</u>	<u>19,981</u>
<b>Current assets</b>			
Financial assets	9	3,067	2,565
Trade and other receivables		10,248	18,549
Reinsurance assets		134	121
Inventories		895	746
Cash and cash equivalents		15,939	14,476
		<u>30,283</u>	<u>36,457</u>
<b>Total assets</b>		<u><u>49,780</u></u>	<u><u>56,438</u></u>

## Consolidated Balance Sheet

	Note	At 30 June 2020 Unaudited £'000	At 31 Dec 2019 Audited £'000
<b>EQUITY</b>			
<b>Equity attributable to equity holders of Personal Group Holdings plc</b>			
Share capital		1,561	1,561
Share premium		1,134	1,134
Capital redemption reserve		24	24
Other reserve		(220)	(230)
Profit and loss reserve		36,646	35,526
<b>Total equity</b>		<u><u>39,145</u></u>	<u><u>38,015</u></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities		286	302
Trade and other payables		115	290
		<u>401</u>	<u>592</u>

		401	592
		<u>          </u>	<u>          </u>
<b>Current liabilities</b>			
Provisions	11	-	-
Trade and other payables		7,755	15,043
Insurance contract liabilities		2,411	2,104
Current tax liabilities		68	684
		<u>          </u>	<u>          </u>
		10,234	17,831
		<u>          </u>	<u>          </u>
<b>Total liabilities</b>		<u>          </u>	<u>          </u>
		10,635	18,423
		<u>          </u>	<u>          </u>
<b>Total equity and liabilities</b>		<u>          </u>	<u>          </u>
		49,780	56,438
		<u>          </u>	<u>          </u>

#### Consolidated Statement of Changes in Equity for the six months ended 30 June 2020

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Profit & loss reserve £'000	Total equity £'000
<b>Balance as at 1 January 2020</b>	1,561	1,134	24	(230)	35,526	38,015
Dividends	-	-	-	-	(2,307)	(2,307)
Employee share-based compensation	-	-	-	-	6	6
Proceeds of SIP* share sales	-	-	-	-	3	3
Cost of SIP shares sold	-	-	-	14	(14)	-
Cost of SIP shares purchased	-	-	-	(4)	-	(4)
<b>Transactions with owners</b>	-	-	-	10	(2,312)	(2,302)
Profit for the period	-	-	-	-	3,432	3,432
<b>Total comprehensive income for the period</b>	-	-	-	-	3,432	3,432
<b>Balance as at 30 June 2020</b>	1,561	1,134	24	(220)	36,646	39,145

\* PG Share Ownership Plan (SIP)

## Consolidated Statement of Changes in Equity for the six months ended 30 June 2019

	Share capital £'000	Share Premium £'000	Capital redemption reserve £'000	Other reserve £'000	Profit & loss reserve £'000	Total equity £'000
<b>Balance as at 1 January 2019</b>	1,544	-	24	(210)	33,937	35,295
Dividends	-	-	-	-	(3,613)	(3,613)
Employee share- based compensation	-	-	-	-	9	9
Proceeds of SIP* share sales	-	-	-	-	38	38
Cost of SIP shares sold	-	-	-	28	(28)	-
Cost of SIP shares purchased	-	-	-	(43)	-	(43)
Purchase of new shares	17	1,134	-	-	-	1,151
<b>Transactions with owners</b>	17	1,134	-	(15)	(3,594)	(2,458)
Profit for the period	-	-	-	-	3,545	3,545
<b>Total comprehensive income for the period</b>	-	-	-	-	3,545	3,545
<b>Balance as at 30 June 2019</b>	1,561	1,134	24	(225)	33,888	36,382

\* PG Share Ownership Plan (SIP)

## Consolidated Statement of Cash Flows

	6 months ended 30 June 2020 Unaudited £'000	6 months ended 30 June 2019 Unaudited £'000
<b>Net cash from operating activities (see opposite)</b>	4,564	7,301
<b>Investing activities</b>		
Additions to property, plant and equipment	(197)	(420)
Additions to intangible assets	(205)	(56)
Proceeds from disposal of property, plant and equipment	336	45

Purchase of financial assets	(503)	(262)
Interest received	42	43
Payment on acquisition of Innecto, net of cash acquired	-	(2,714)
	<hr/>	<hr/>
Net cash from investing activities	(527)	(3,364)
	<hr/>	<hr/>
<b>Financing activities</b>		
Purchase of own shares by the SIP	(2)	(10)
Proceeds from disposal of own shares by the SIP	11	15
Interest Paid	(1)	-
Payment of lease liabilities	(275)	(229)
Dividends paid	(2,307)	(3,613)
Share issue	-	1,151
	<hr/>	<hr/>
Net cash used in financing activities	(2,574)	(2,686)
	<hr/>	<hr/>
<b>Net change in cash and cash equivalents</b>	1,463	1,251
<b>Cash and cash equivalents, beginning of period</b>	14,476	15,148
	<hr/>	<hr/>
<b>Cash and cash equivalents, end of period</b>	15,939	16,399
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## Consolidated Statement of Cash Flows

	<b>6 months ended 30 June 2020 Unaudited £'000</b>	<b>6 months ended 30 June 2019 Unaudited £'000</b>
<b>Operating activities</b>		
Profit after tax	3,432	3,545
Adjustment for:		
Depreciation	509	460
Amortisation of intangible assets	216	252
(Profit)/Loss on disposal of property, plant and equipment	(130)	57
Interest received	(42)	(43)
Interest charge	44	68
Share of (profit)/loss of equity-accounted investee, net of tax	-	(7)
Share-based payment expenses	6	9
Taxation expense recognised in income statement	756	547
<i>Changes in working capital:</i>		
Trade and other receivables	8,288	7,033
Trade and other payables	(6,969)	(3,108)
Provisions	-	(542)
Inventories	(149)	(259)
Taxes paid	(1,397)	(711)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>4,564</b>	<b>7,301</b>
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## Notes to the Consolidated Financial Statements

### 1 General information

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

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

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

The condensed consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

The financial information for the year ended 31 December 2019 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The statutory financial statements for the year ended 31 December 2019 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

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

These consolidated interim financial statements have been approved for issue by the board of directors on 21 September 2020.

### 2 Accounting policies

These June 2020 interim consolidated financial statements of Personal Group Holdings Plc are for the six months ended 30 June 2020. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2019.

These financial statements have been prepared in accordance with IFRS standards and IFRIC interpretations as adopted by the EU, issued and effective as at 30 June 2020.

The principal accounting policies remain unchanged from the year ended 31 December 2019. No new standards have become applicable for accounting periods commencing on or after 1 January 2020.

## Notes to the Consolidated Financial Statements

### 3 Segment analysis

The segments used by management to review the operations of the business are disclosed below.

#### 1) Core Insurance

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

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

This operating segment derives the majority of its revenue from the underwriting by PA and PAGL of insurance policies that have been bought by employees of host companies via bespoke benefit programmes.

2) IT Salary Sacrifice

IT salary sacrifice refers to the trade of PG Let's Connect, a salary-sacrifice technology company purchased in 2014.

3) SaaS

Revenue in this segment relates to the annual subscription income and other related income arising from the licensing of Hapi, the Group's employee benefit platform. This includes sales to both the large corporate and SME sectors. Also included in this segment, from 1 March 2019, is consultancy and license income derived from selling Innecto digital platform subscriptions.

4) Other

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

## Notes to the Consolidated Financial Statements

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

Operating segments	Core Insurance £'000	IT Salary Sacrifice £'000	SaaS £'000	Other £'000	Total £'000
<b>6 months to June 2020</b>					
Earned premiums net of reinsurance	14,863	-	3	-	14,866
Other insurance related income	-	-	-	74	74
Non-insurance related income - IT Salary Sacrifice	-	5,241	-	-	5,241
Non-insurance related income - Platform	-	-	1,646	-	1,646
Non-insurance related income - Transactional and commission	-	-	8,501	-	8,501
Non-insurance related income - Other	-	-	-	49	49
Investment income	-	-	-	57	57
<b>Total revenue</b>	<b>14,863</b>	<b>5,241</b>	<b>10,150</b>	<b>180</b>	<b>30,434</b>
<b>Net result for period before tax</b>	<b>4,083</b>	<b>(333)</b>	<b>247</b>	<b>191</b>	<b>4,188</b>
Innecto - amortisation of intangibles	-	-	103	-	103
Interest	30	8	6	-	44
Share-based payment expenses	-	-	-	6	6
Depreciation	280	55	169	5	509
Amortisation (other)	70	30	13	-	113

<b>Adjusted EBITDA</b>	<b>4,463</b>	<b>(240)</b>	<b>538</b>	<b>202</b>	<b>4,963</b>
Segment assets	<b>27,367</b>	<b>6,173</b>	<b>1,678</b>	<b>14,562</b>	<b>49,780</b>
Segment liabilities	<b>6,867</b>	<b>2,577</b>	<b>1,185</b>	<b>6</b>	<b>10,635</b>
Depreciation and amortisation	<b>350</b>	<b>85</b>	<b>285</b>	<b>5</b>	<b>725</b>

All 2020 income was derived from customers that are based in the UK.

## Notes to the Consolidated Financial Statements

<b>Operating segments</b>	<b>Core Insurance £'000</b>	<b>IT Salary Sacrifice £'000</b>	<b>SaaS £'000</b>	<b>Other £'000</b>	<b>Total £'000</b>
<b>6 months to June 2019</b>					
Earned premiums net of reinsurance	15,151	-	5	-	15,156
Other insurance related income	1	-	-	99	100
Non-insurance related income - IT Salary Sacrifice	-	5,830	-	-	5,830
Non-insurance related income - Platform	-	-	1,425	-	1,425
Non-insurance related income - Transactional and commission	-	-	7,409	-	7,409
Non-insurance related income - Other	-	-	-	51	51
Investment income	-	-	-	59	59
<b>Total revenue</b>	<b>15,152</b>	<b>5,830</b>	<b>8,839</b>	<b>209</b>	<b>30,030</b>
<b>Net result for period before tax</b>	<b>3,378</b>	<b>101</b>	<b>152</b>	<b>461</b>	<b>4,092</b>
PG Let's Connect - amortisation of intangibles	-	53	-	-	53
Interest	48	14	6	-	68
Share-based payment expenses	-	-	-	9	9
Provision release	-	-	-	(542)	(542)
Acquisition costs	-	-	-	177	177
Depreciation	394	57	4	5	460
Amortisation (other)	39	27	133	-	199
<b>Adjusted EBITDA</b>	<b>3,859</b>	<b>252</b>	<b>295</b>	<b>110</b>	<b>4,516</b>
Segment assets	<b>26,282</b>	<b>6,672</b>	<b>2,971</b>	<b>14,543</b>	<b>50,468</b>
Segment liabilities	<b>7,630</b>	<b>3,400</b>	<b>2,853</b>	<b>203</b>	<b>14,086</b>
Depreciation and	<b>433</b>	<b>137</b>	<b>137</b>	<b>5</b>	<b>712</b>

amortisation

Of the above, £8,000 of SaaS income was generated from customers based in the EU. All other income was derived from customers that are based in the UK.

#### 4 Taxation

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

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2020 was 18.1% (six-month period ended 30 June 2019: 13.4%).

### Notes to the Consolidated Financial Statements

#### 5 Earnings per share and dividends

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

	6 months ended 30 June 2020	EPS Pence	6 months ended 30 June 2019	EPS Pence
Basic	31,171,543	11.0	31,064,583	11.4
Diluted	31,171,543	11.0	31,064,583	11.4

During the first six months of 2020 Personal Group Holdings Plc paid dividends of £2,307,000 to its equity shareholders (2019: £3,613,000). This represents a payment of 7.40p per share (2019: 11.65p).

	6 months ended 30 June 2020 £'000	6 months ended 30 June 2018 £'000
Dividends paid or provided for during the period	2,307	3,613

#### 6 Goodwill

	PG Let's Connect £'000	Innecto £'000	Total £'000
<b>Cost</b>			
At 1 January 2020	10,575	2,121	12,696
Additions in the year	-	-	-
At 30 June 2019	10,575	2,121	12,696
<b>Amortisation and impairment</b>			
At 1 January 2020	-	-	-
Impairment charge for year	-	-	-

At 30 June 2020	-	-	-
<b>Net book value at 30 June 2020</b>	<b>10,575</b>	<b>2,121</b>	<b>12,696</b>
Net book value at 31 December 2019	10,575	2,121	12,696

As a result of the economic impacts of the COVID-19 pandemic, an indicator of impairment was identified in relation to the goodwill that arose on acquisition of Innecto in 2019. An impairment test was subsequently performed and value in use was determined to be greater than carrying value, and therefore no impairment has been recognised.

The long-term impacts of COVID-19 remain uncertain and it is therefore expected that a further impairment review will be required at the end of the year. The further insight gained into the progression and the impact of the changing economic factors should allow management to determine the value in use of the business unit with a higher degree of certainty than at present. Should this review find that the carrying value exceeds the value in use at the year end, an appropriate impairment will be recorded.

## Notes to the Consolidated Financial Statements

### 7 Intangible assets

	Customer Value £'000	Computer software and development £'000	Innecto Technology £'000	Internally Generated Computer Software £'000	WIP £'000	Total £'000
<b>Cost</b>						
At 1 January 2020			298	506	124	4,275
Transfers	2,374	973	-	-	(259)	-
Additions	-	259	-	-	135	205
Disposals	-	68	-	2	-	-
	-	-	-	-	-	-
At 30 June 2020	2,374	1,300	298	508	-	4,480
<b>Amortisation</b>						
At 1 January 2020			50		-	2,974
Provided in the period	1,769	688	30	467	-	216
Disposals in the period	73	98	-	15	-	-
	-	-	-	-	-	-
At 30 June 2020	1,842	786	80	482	-	3,190
<b>Net book amount at 30 June 2020</b>	<b>532</b>	<b>514</b>	<b>218</b>	<b>26</b>		<b>1,290</b>
Net book amount at 31 December 2019	605	285	248	39	124	1,301

### 8 Property, plant and equipment

	Freehold land and properties £'000	Motor vehicles £'000	Computer equipment £'000	Furniture fixtures & fittings £'000	Leasehold improvements £'000	Right of use Assets £'000	Total £'000
<b>Cost</b>							
At 1 January	5,290	102	831	2,357	38	1,452	10,050

2020							
Additions	-	56	119	22	-	46	243
Disposals	(253)	-	-	(75)	-	-	(328)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	5,037	158	950	2,304	38	1,478	9,965
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation							
At 1 January 2020	1,713	77	612	881	29	754	4,066
Provided in the period	44	12	74	132	3	244	509
Disposals	(58)	-	-	(63)	-	-	(121)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2020	1,699	89	686	950	32	998	4,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount at 30 June 2020</b>	<b>3,338</b>	<b>69</b>	<b>264</b>	<b>1,354</b>	<b>6</b>	<b>480</b>	<b>5,511</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount at 31 December 2019	3,577	25	219	1,476	9	678	5,984
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the Consolidated Financial Statements

### 9 Financial Investments

	<b>At 30 June 2020 Unaudited £'000</b>	<b>At 31 December 2019 Audited £'000</b>
Bank deposits	3,067	2,565
	<hr/>	<hr/>
	3,067	2,565
	<hr/>	<hr/>

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

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

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

### 10 Long Term Incentive Plan (LTIP)

#### LTIP2

LTIP2 was designed to reward Directors and certain other senior employees in a way that aligns the interests of LTIP participants with the interests of shareholders, as well as with the Group's long-term strategic plan. LTIP2 is based on Market Capitalisation and becomes reward bearing as Company Market Capitalisation exceeds £183.7m. It also has a yearly EPS performance criterion through its life which can be adjusted by the Remuneration Committee.

The scheme closed at the end of March 2020 having made no awards. An amount of £6,000 (2019: £9,000) has been charged to the profit and loss account in the six months ended 30 June

2020 for this scheme, based on the fair values determined by using a Log-normal Monte-Carlo stochastic model.

## Notes to the Consolidated Financial Statements

### 11 Provisions

As at 31 December 2019, the PG Let's Connect PAYE tax provision has been reduced to nil. This was as a result of the remaining liability being settled directly with HMRC by the previous directors of Let's Connect.

<b>2020</b>	<b>PG Let's Connect PAYE £'000</b>
At 1 January 2020	-
Movement in provisions credited to income statement	-
Utilised during the year	-
	<hr/>
At 30 June 2019	-
	<hr/> <hr/>

<b>2019</b>	<b>PG Let's Connect PAYE £'000</b>
At 1 January 2019	1,259
Movement in provisions credited to income statement	(1,259)
Utilised during the year	-
	<hr/>
At 31 December 2019	-
	<hr/> <hr/>

### 12 Financial calendar for the year ending 31 December 2020

The Company announces the following dates in its financial calendar for the year ending 31 December 2020:

- Preliminary results for the year ending 31 December 2020 - March 2021
- Publication of Report and Accounts for 2020 - March 2021
- AGM - April 2021

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