RNS Number : 6657M
Elixirr International PLC
18 September 2023

Elixirr International plc

("Elixirr", the "Company" or the "Group")

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Elixirr International plc (AIM:ELIX), an established, global award-winning challenger consultancy, is pleased to report its unaudited interim results for the six months ended 30 June 2023 (H1 23). Comparative results are presented for the six months ended 30 June 2022 (H1 22).

Financial Highlights

Elixirr is pleased to report the following financial highlights for the Group for H1 23:

- 23% increase in revenue compared to H1 22, with revenue totalling £41.1m and Group record revenue in three of the six months in the period
- Underlying organic revenue growth of 14% compared to H1 22
- 19% increase in adjusted EBITDA [1] compared to H1 22, totalling £12.3m, maintaining our strong track record of profitability with an adjusted EBITDA margin of 30%
- 17% increase in profit before tax, totalling £9.9m (H1 22: £8.4m)
- 23% increase in adjusted diluted EPS [1] compared to H1 22
- Net cash of £19.5m with no debt [2]

	H1 23	H1 22	Change
Revenue	**£41.1m**	£33.4m	+23%
Adjusted EBITDA [1]	**£12.3m**	£10.4m	+19%
Adjusted EBITDA margin	**30%**	31%	-1pp
Profit before tax	**£9.9m**	£8.4m	+17%
Adjusted diluted EPS [1]	**18.5p**	15.1p	+23%

[1] In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted earnings per share as alternative performance measures ('APMs'). Please refer to note 2 of the Group's interim condensed consolidated financial statements.
[2] No debt other than office leases capitalised under IFRS16.

Operating Highlights

- Double-digit underlying organic growth, proving our consistent ability to perform against our strategy
- Growth through all pillars of the firm's four-pillar strategy:
  - Excellent progress in stretching the Partner team, with a 24% increase in revenue per Partner compared to H1 22
  - Promoting our first Principal from one of our acquisitions to Partner, as well as two from the consulting team and a further two promotions effective in H2 23
  - Two new UK Partners hired in H1 23 with networks and expertise spanning healthcare, life sciences, manufacturing and sports & media, plus a new US Partner hired in H2 23 with strong retail experience
  - Creation of additional value from our previous acquisitions with significant growth in cross-sell revenue into those businesses
  - Further progress on inorganic growth, with the acquisition of Generative AI firm Responsum, bringing key AI capabilities in-house, highly complementary to iOLAP's data expertise
  - Maintained our strong profit margins due to our high-quality offering, premium market positioning and operational effectiveness

- Strong client retention, proving our ability to deepen relationships as we scale with growth in key accounts, having grown the number of £1m+ and £2m+ clients *
- Bringing on new clients, including notable brands across a range of industries as a result of our growing networks and increasing brand presence
- Maintaining our strong reputation receiving multiple industry recognitions, including being listed as one of the Financial Times' Leading Management Consultancies for 2023

* On a 12-month trailing basis compared with FY 22.

Commenting on the results, Stephen Newton, Chief Executive Officer said:

"We began this year with great momentum, and have continued our progress through the period, leveraging our previous acquisitions to maximise the firm's overall performance. Our ambition is to become the best digital, data, AI and strategy consultancy in the world, and the diversification we have built into Elixirr over time has proved effective in helping us achieve this. We continue to explore both organic and inorganic opportunities to support this ambition, whether that be through new capabilities, industries or geographies.

Our ability to deliver such a relevant range of services, coupled with a growing reputation in the market, has contributed to another set of strong results for the first half of 2023, and we expect to see this performance continue for the remainder of the year."

Enquiries:

For enquiries, please refer to our Investor Contacts page:

https://www.elixirr.com/investors/investor-contacts

Elixirr International plc +44 (0)20 7220 5410

Stephen Newton, Chief Executive Officer

Graham Busby, Chief Financial Officer

investor-relations@elixirr.com

Cavendish Capital Markets Ltd (Nominated Adviser & Joint Broker) +44 (0)20 7220 0500

Christopher Raggett

Investec Bank plc (Joint Broker)

Carlton Nelson, Henry Reast (Corporate Broking) +44 (0) 20 7597 4000

Notes to editors

Elixirr International plc (AIM: ELIX) is an established, global, award-winning management consultancy. The Company challenges the larger consultancies by delivering innovative and bespoke solutions to a repeat, globally-recognised client base.

This announcement is released by Elixirr International plc and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (MAR). It is disclosed in accordance with Elixirr's obligations under Article 17 of MAR. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Graham Busby, Chief Financial Officer.

The Company also announces that its Nominated Adviser and Joint Broker has changed its name to Cavendish Capital Markets Ltd following completion of its own corporate merger.

Disclaimer

This announcement contains certain statements that are, or may be, forward looking statements with respect to the financial condition, results of operations, business achievements and/or investment strategy of the Company. Such forward looking statements are based on the Board's expectations of external conditions and events, current business strategy, plans and the other objectives of management for future operations, and estimates and projections of the Company's financial performance. Though the Board believes these expectations to be reasonable at the date of this document they may prove to be erroneous. Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, achievements or performance of the Group, or the industry in which the Group operates, to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements.

INTERIM MANAGEMENT REPORT

Financial Performance Review

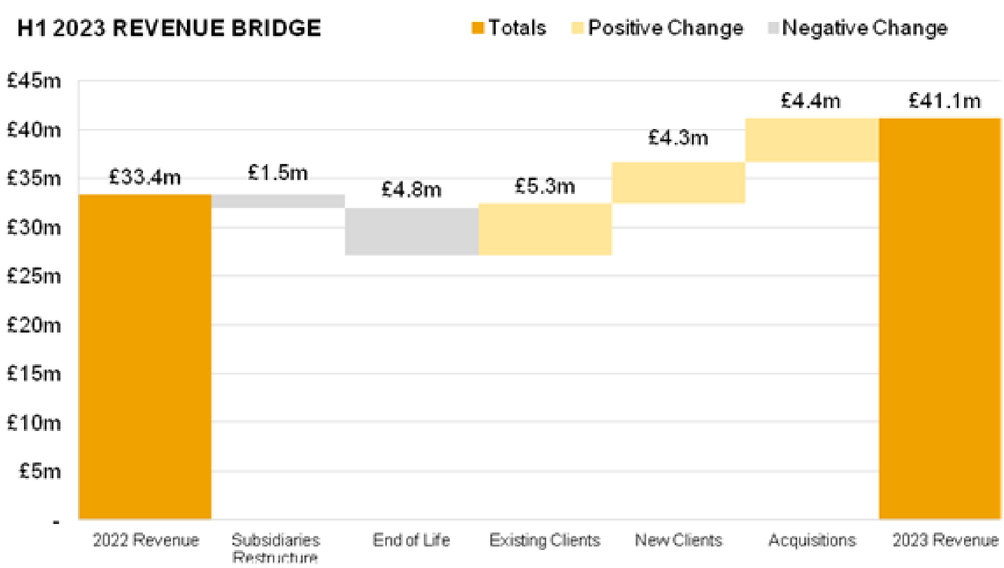
	H1 23	H1 22	Change
Revenue	**£41.1m**	£33.4m	+23%
Gross profit	**£14.3m**	£11.4m	+26%
Adjusted EBITDA [1]	**£12.3m**	£10.4m	+19%
Adjusted EBITDA margin	**30%**	31%	-1pp
Profit before tax	**£9.9m**	£8.4m	+17%
Adjusted diluted EPS [1]	**18.5p**	15.1p	+23%
Net cash [2]	**£19.5m**	£11.1m	+76%

[1] In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted earnings per share as alternative performance measures ("APMs"). Please refer to note 2 of the Group's interim condensed consolidated financial statements.
[2] The Group has no debt other than office leases capitalised under IFRS16. Net cash excludes capitalised office leases.

The Board is pleased to report that the Group performed well in H1 23, continuing to grow revenue and adjusted EBITDA against our ambition to build the best digital, data, AI and strategy consultancy in the world. The investments we made in FY 22, including Partner hires and leveraging the capabilities of our acquisitions, meant we have continued to deliver on expanded services to our clients, with strong momentum going into H1 23.

During H1 23, Group revenue increased to £41.1m with three record revenue months. This represents 23% absolute revenue growth compared to H1 22. Underlying organic revenue growth was 14%, with £5.3m growth from scaling existing clients and £4.3m growth from new clients. The strong organic growth is testament to our focus on growing key accounts, good client retention and deepening of relationships, utilising newly hired Partners' networks and our growing brand reputation.

The following revenue bridge displays the elements of the growth in revenue from £33.4m in H1 22 to £41.1m in H1 23.



Group gross profit increased by 26% to £14.3m (H1 22: £11.4m), slightly ahead of the growth in revenue, given an increase in revenue per Partner.

Group adjusted EBITDA grew by 19% compared to H1 22, totalling £12.3m, and maintaining our track record of profitability with an adjusted EBITDA margin of 30% (H1 22: 31%), slightly ahead of the adjusted EBITDA margin of 29% achieved in full year FY 22.

Profit before tax increased by 17% to £9.9m (H1 22: £8.4m). Excluding the impact of the M&A-related net credit of £0.5m in H1 22, this represented an increase of 25%. Further details of M&A-related items are set out in note 4 of the Group's interim condensed consolidated financial statements.

Adjusted diluted earnings per share increased by 23% to 18.5p (H1 22: 15.1p), reflecting the strong growth in adjusted EBITDA. The dilution calculation includes the potential additional dilution from shares that could be issued to satisfy the FY 23 and FY 24 contingent consideration for the acquisition of iOLAP (US$7.4m). The Group retains the option to satisfy this consideration through a cash payment with a commitment to buy shares from the EBT to minimise dilution.

The Group's net cash position decreased by £0.6m from £20.4m at 31 December 2022 to £19.5m at 30 June 2023, primarily due to the settlement of Coast (£0.2m) and iOLAP FY 22 contingent consideration (US$7.4m) and the payment of iOLAP initial consideration held back for warranties (US$0.5m). The iOLAP sellers used the after-tax amount of the contingent consideration to purchase shares from the EBT. The higher operating cash flow in H1 23 compared to H1 22 was due to higher EBITDA as well as improved working capital performance.

Net assets as at 30 June 2023 totalled £102m (31 December 2022: £95.9m). The increase in net assets during H1 23 includes the retained profit for the period of £3.7m (after accrual of the FY 22 final dividend of £4.9m partially offset by a credit for the share-based payments charge of £0.7m), sale of shares by the EBT of £7.1m, less purchases of shares by the EBT of £3.4m and foreign currency losses of £1.4m following weakening of the US dollar.

Operational Review

In the first half of FY 23, Elixirr continued to position itself strongly with global clients, facilitated by our four-pillar growth strategy:

- The depth of our C-suite relationships and breadth of offering has ensured continued growth in revenue through the period
- Increased cross-sell across the Group with particular success in significantly increasing cross-sell of the services of our acquisitions
- Deepening of our data and AI capabilities through a partnership with, and post-period end acquisition of, Responsum Inc.
- Growing our market presence and brand, launching our biggest campaign to date and more than doubling our FY 22 marketing leads
- Strong equity participation in our 2023 ESPP, with 75%+ of the consulting team opting in and over 50% at a Group level, highlighting the continued commitment of our teams

During the period, we carried out a range of strategic client engagements including:

- We partnered with one of the world's largest investment management firms to explore innovative ways to further its ESG focus and compliance surrounding its shareholder voting and investee company rating processes utilising AI-powered technologies
- Accelerated the global finance transformation of a luxury fashion house - a lead generated by Elixirr's marketing team, refreshing their strategic communications, supporting an effective programme delivery and establishing robust governance and reporting
- Utilised cross-brand expertise to deliver a target operating model for a global services standards firm alongside digital transformation including website redesign
- Supported an independent European Bank, a new client in 2023, to strategically review their project management office then set up their Cyber Security vision and roadmap - growing the account from one initial engagement to become a £1m+ revenue gold client
- Using our strategy, digital and data expertise, we worked with a major US industrials firm to automate and enhance their enterprise sales reporting tool, designing a bespoke customer-journey aligned IT operating model, and building a forward-focused enterprise digital vision aligned to growth aspirations

Our work over H1 23 has again been recognised through numerous awards and accolades including:

- We were recognised by the Financial Times as one of the UK's leading management consultants in 2023
- Listed again on the Global Outsourcing 100® in 2023, the annual list of the world's best outsourcing service providers and advisors compiled by the International Association of Outsourcing Professionals (IAOP®)
- Stephen Newton, CEO and Founder, honoured by Consulting Magazine for Lifetime Achievement in the Top Consultant 2023 Awards

- Recognised by Consultancy.UK as one of the Top Consulting Firms in the UK with platinum and gold rankings in nine service areas including Finance, Strategy, Innovation and Outsourcing & Shared Services

Growth Strategy

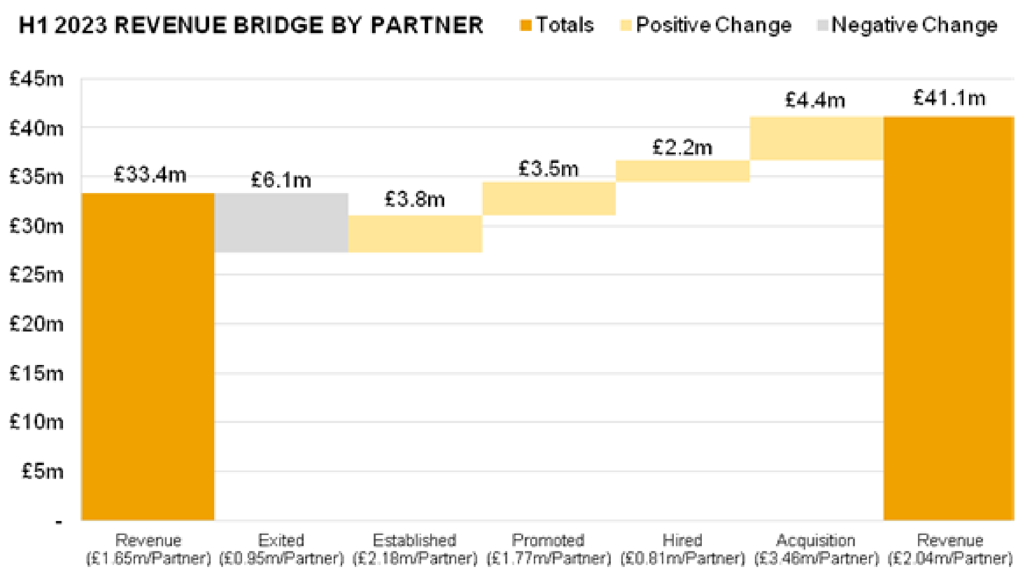
Elixirr's overarching growth strategy continues to be focused through the following pillars:

1. Stretching our existing Partners
2. Promoting Partners from within
3. Hiring new Partners
4. Acquiring new businesses

1. Stretching our existing Partners

As set out in the table below, there were significant increases in average revenue per Partner from £1.65m of revenue in H1 22 to £2.04m for H1 23, highlighting the overall strength and quality of the Partner team. This performance is also a reflection of the continued extension of Elixirr's capabilities, with data, digital and AI being further embedded into projects over the period.

Established Partners achieved revenue of £2.18m, increasing from £1.99m in H1 22. We retained our focus of growing key accounts resulting in increased client retention and through recent and new Partner hires and their respective networks brought on new logos, including potential gold clients.



2. Promoting Partners from within

Two Partner promotions became effective at the start of the year - Benjamin Gower, with strong insurance credentials who has continued to expand our biggest account in this space, and Danielle Croucher who has been a key contributor in growing our US business, one of Elixirr's key geographical focuses. Their average revenue contribution of £1.77m for the half year can be seen in the graph above.

Three additional Principals were promoted to Partner in Q1 and Q2 - two effective October 2023, and one effective January 2024.

Dan Coral, US based Principal joined the firm in 2021 from Accenture and is currently based out of the firm's New York office. He has over 12 years of consulting experience, with deep expertise across data strategy and mergers and acquisitions. Rory Farquharson has grown with the firm, having joined Elixirr in 2015 and has worked in 4 of the firm's central geographies: Johannesburg, San Francisco, New York and London - his success building out the US business contributed to him being named one of Consulting Magazine's Rising Stars of the Profession for 2022.

Nick Larsen has been with iOLAP for 18 years and has fulfilled every role across the value chain, including data engineering and solution architecture, giving him an end-to-end understanding of how to solve clients' most pressing data and technology challenges. This marks the first promotion to Partner from one of Elixirr's acquisitions and demonstrates the career opportunities available to talented members of our acquisitions' teams.

All three of these new Partner appointments will be key in contributing to the firm's success worldwide.

Principal talent has developed strongly during the first half of the year with four external hires, bringing SME expertise across insurance and data, and a further five Managers promoted to Principal, bringing our Principal team to 35+.

3. Hiring new Partners

Our third growth pillar, hiring Partners continued to progress in 2023. To date this year, four additional Partners have been hired into the team, all via referrals from existing team members, making us confident that they have the attributes to be successful at Elixirr. They bring networks spanning a range of industries and geographies, supporting continued diversification into key markets.

Ian Stuart joined in Q2, bringing a wealth of consulting experience, and strong connections in pharma and healthcare - as a previous founder he is a natural market maker, making him a strong fit for Elixirr culturally. Bob Skinstad, the former South Africa rugby captain, joined in Q3, and with over 20 years of business experience across South Arica and Europe brings a unique network across sectors, with specific expertise in the sports and media industries. The recent hire of John Kalil, based in the US, marks an exciting hire in this geography, as he has extensive experience in management consulting and retail apparel.

As part of today's acquisition announcement, Steve Steinberg joins with Responsum, bringing deep expertise across AI, technology and e-commerce to Elixirr. Having already collaborated on multiple engagements over the last few months, Steve's transition to join the Partner team will drive a seamless go-to-market approach for Responsum's AI technology.

Ensuring these team members are set up for success will be a key focus for the remainder of 2023 and beyond, utilising their respective capabilities and networks in the business. In addition, we continue to build a pipeline of future Partner hires.

4. Acquiring new businesses

Bringing on entrepreneurial leaders and additive and expansive services continues to be a core focus. This increases the range of services that all Partners can sell to clients, ensuring we can continue to provide a broad range of strategy and execution services.

Today, following on from our partnership earlier this quarter, we announce the acquisition of Responsum which brings in-depth AI expertise to the Group. This exciting and highly strategic acquisition is key for Elixirr and valuable for our clients, as we continue to explore and adopt the growth opportunities that global emerging technologies present.

Our dedicated M&A team scouted a further 500+ targets in the first half of 2023, with a number of potential acquisition targets currently well-progressed. We have a strong overall acquisition pipeline going into the remainder of the year but continue to have stringent criteria to ensure that we only complete acquisitions that meet our focus around quality, performance and value.

Outlook

The Board remains confident in the Group's outlook for full year FY 23, having just achieved a record revenue month in August 2023. We expect to report revenue within the guidance range of £85-90 million and profitability remains strong - we expect the full year adjusted EBITDA margin to also be within the 28-30% guidance range.

Gavin Patterson	**Stephen Newton**
Chairman	Chief Executive Officer

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 Unaudited £'000s**	Six months ended 30 June 2022 Unaudited £'000s

Revenue		41,139	33,368
Cost of sales		(26,859)	(22,016)
Gross profit		**14,280**	**11,352**
Administration expenses		(4,089)	(3,093)
Operating profit before exceptional items		**10,191**	**8,259**
Depreciation		575	477
Amortisation of intangible assets		871	904
Share-based payments	12	712	741
Adjusted EBITDA		**12,349**	**10,381**
M&A-related items	4	(55)	530
Operating profit		**10,136**	**8,789**
Net finance expense		(263)	(366)
Profit before tax		**9,873**	**8,423**
Taxation		(2,206)	(1,749)
Profit for the period		**7,667**	**6,674**
Exchange differences on translation of foreign operations		(1,367)	1,843
Total comprehensive income for the period		**6,300**	**8,517**
Basic earnings per Ordinary share (p)	5	16.6	14.5
Diluted earnings per Ordinary share (p)	5	15.0	12.9
Adjusted basic earnings per Ordinary share (p)	5	20.5	16.9
Adjusted diluted earnings per Ordinary share (p)	5	18.5	15.1

All results relate to continuing operations.

The attached notes form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	**As at 30 June 2023 Unaudited £'000s**	As at 31 December 2022 Audited £'000s	As at 30 June 2022 Unaudited £'000s
Assets				
Non-current assets				
Intangible assets	6	81,215	83,581	84,403
Property, plant and equipment		5,108	5,662	5,989
Other receivables	7	1,293	1,293	1,521
Loans to shareholders	7	6,094	4,734	4,213
Deferred tax asset		2,051	1,719	1,327
Total non-current assets		**95,761**	**96,989**	**97,453**
Current assets				
Trade and other receivables	7	13,838	11,234	12,752

Corporation tax		175	-	-
Cash and cash equivalents		19,494	20,433	11,072
Total current assets		**33,507**	**31,667**	**23,824**
Total assets		**129,268**	**128,656**	**121,277**
Liabilities				
Current liabilities				
Trade and other payables	8	15,440	13,304	10,986
Loans and borrowings		749	750	940
Corporation tax		-	381	1,045
Other creditors	9	2,749	6,765	4,862
Total current liabilities		**18,938**	**21,200**	**17,833**
Non-current liabilities				
Loans and borrowings		3,993	4,393	4,766
Deferred tax liability		1,406	1,435	1,411
Other non-current liabilities	9	2,963	5,713	7,257
Total non-current liabilities		**8,362**	**11,541**	**13,434**
Total liabilities		**27,300**	**32,741**	**31,267**
Net assets		**101,968**	**95,915**	**90,010**
Equity				
Share capital	10	52	52	52
Share premium	10	24,512	25,599	25,673
Capital redemption reserve		2	2	2
EBT share reserve	11	(2,384)	(7,147)	(6,196)
Merger relief reserve	10	46,870	46,870	46,870
Foreign currency translation reserve		511	1,878	1,894
Retained earnings		32,405	28,661	21,715
Total shareholders' equity		**101,968**	**95,915**	**90,010**

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Share capital £'000s	Share premium £'000s	Capital redemption reserve £'000s	EBT share reserve £'000s	Merger relief reserve £'000s	Foreign currency translation reserve £'000s	Retained earnings £'000s	**Total £'000s**
As at 31 December 2021 and 01 January 2022	52	24,952	2	(2,193)	46,870	51	16,307	**86,041**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	6,674	**6,674**
Other comprehensive income	-	-	-	-	-	1,843	-	**1,843**
Transactions with owners								
Dividends	-	-	-	-	-	-	(1,855)	**(1,855)**
Share-based payments	-	-	-	-	-	-	535	**535**
Deferred tax recognised in equity	-	-	-	-	-	-	54	**54**
Sale of Ordinary shares	-	721	-	7,291	-	-	-	**8,012**
Acquisition of Ordinary shares	-	-	-	(11,294)	-	-	-	**(11,294)**
As at 30 June 2022	**52**	**25,673**	**2**	**(6,196)**	**46,870**	**1,894**	**21,715**	**90,010**

Comprehensive income								
Profit for the period	-	-	-	-	-	-	6,195	**6,195**
Other comprehensive income	-	-	-	-	-	(16)	-	**(16)**
Transactions with owners								
Share-based payments	-	-	-	-	-	-	440	**440**
Deferred tax recognised in equity	-	-	-	-	-	-	311	**311**
Sale of Ordinary shares	-	(74)	-	2,452	-	-	-	**2,378**
Acquisition of Ordinary shares	-	-	-	(3,403)	-	-	-	**(3,403)**
As at 31 December 2022 and 01 January 2023	**52**	**25,599**	**2**	**(7,147)**	**46,870**	**1,878**	**28,661**	**95,915**
Comprehensive income								
Profit for the period	-	-	-	-	-	-	7,667	**7,667**
Other comprehensive income	-	-	-	-	-	(1,367)	-	**(1,367)**
Transactions with owners								
Dividends	-	-	-	-	-	-	(4,940)	**(4,940)**
Share-based payments	-	-	-	-	-	-	662	**662**
Deferred tax recognised in equity	-	-	-	-	-	-	355	**355**
Sale of Ordinary shares	-	(1,087)	-	8,160	-	-	-	**7,073**
Acquisition of Ordinary shares	-	-	-	(3,397)	-	-	-	**(3,397)**
As at 30 June 2023	**52**	**24,512**	**2**	**(2,384)**	**46,870**	**511**	**32,405**	**101,968**

Share capital

Share capital represents the nominal value of share capital subscribed.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at a premium, net of associated share issue costs. It also records gains on the sale of shares by the EBT.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of the Company's own shares.

EBT share reserve

The EBT share reserve represents the cost of shares repurchased and held in the EBT.

Merger relief reserve

The merger relief reserve records the amounts above the nominal value received for shares sold, less transaction costs in accordance with section 610 of the Companies Act 2006.

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences that arise on consolidation from the translation of the financial statements of foreign subsidiaries.

Retained earnings

The retained earnings reserve represents cumulative net gains and losses recognised in the statement of comprehensive income and equity-settled share-based payment reserves and related deferred tax on share-based payments.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 Unaudited £'000s**	Six months ended 30 June 2022 Unaudited £'000s
Cash flows from operating activities:			
Cash generated from operations	14	6,535	2,667
Taxation paid		(2,666)	(1,961)
Net cash generated from operating activities		**3,869**	**706**
Cash flows from investing activities:			
Purchase of property, plant and equipment		(42)	(74)
Payment for acquisition of subsidiary		(6,610)	(17,152)
Interest received		148	54
Net cash utilised from investing activities		**(6,504)**	**(17,172)**
Cash flows from financing activities:			
EBT Ordinary share purchases		(3,397)	(11,294)
EBT Ordinary share sales		7,202	8,012
Loans to shareholders		(2,000)	(1,500)
Loans repaid by shareholders		645	1,291
Repayment of borrowings		-	(1,143)
Lease liability payments		(361)	(179)
Interest paid		(124)	(58)
Net cash generated/(utilised) from financing activities		**1,965**	**(4,871)**
Net decrease in cash and cash equivalents		**(670)**	**(21,337)**
Cash and cash equivalents at beginning of the period		20,433	31,795
Effects of exchange rate changes on cash and cash equivalents		(269)	614
Cash and cash equivalents at the end of the period		**19,494**	**11,072**

Notes to the Group's Interim Condensed Consolidated Financial Statements

1. Basis of Preparation and Significant Accounting Policies

1.1. General information

Elixirr International plc (the "Company") and its subsidiaries' (together the "Group") principal activities are the provision of consultancy services.

The Company is a limited company incorporated in England and Wales and domiciled in the UK. The address of the registered office is 12 Helmet Row, London, EC1V 3QJ and the company number is 11723404.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 15 September 2023.

1.2. Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements, as at and for the year ended 31 December 2022. They do not include all of 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 financial statements.

Statutory accounts

Financial information contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act").

The financial information provided for the current six-month period ended 30 June 2023 and comparative period ended 30 June 2022 is unaudited. The financial information provided for the comparative period ended 31 December 2022 was audited.

The presentational currency of these financial statements and the functional currency of the Group is pounds sterling.

1.3 Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings as at 30 June 2023.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The acquisition method of accounting has been adopted. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

1.4. Measurement convention

These financial statements have been prepared under the historical cost convention, except as otherwise described in the accounting policies.

The preparation of the consolidated financial information in compliance with IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements that have been made and their effect is disclosed in note 1.6.1.

1.5. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. The Group's forecasts and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate cash flow in the normal course of business. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

1.6. Principal accounting policies

Please refer to the Group's last annual consolidated financial statements for full disclosure of the principal accounting policies that have been adopted in the preparation of these interim condensed consolidated financial statements. The key accounting policies that affected the Group in the period are documented below.

1.6.1. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, costs and revenue in the financial statements. Actual results could differ from these estimates. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

In the process of applying the Group's accounting policies, the Directors have made no judgements (excluding those involving estimations), which are considered to have a significant effect on the amounts recognised in the financial statements for the period ending 30 June 2023.

The key sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are:

- Revenue is recognised in line with time worked on a project unless the engagement is conditional or contingent. Management review accrued revenue to determine whether there is any likelihood of any amendments or provisions required based on project progress and relationship with the client.
- Full provision is made for loss making projects in the period in which the loss is first foreseen, and for the cost of conditional or contingent engagements prior to the event occurring. Estimation is required of costs to complete and the provision necessary.
- The Group's policy on recognising an impairment of the trade receivables balance is based on a review of individual receivable balances, their ageing and management's assessment of realisation. This review and assessment is conducted on a continuing basis and any material change in management's assessment of trade receivable impairment is reflected in the carrying value of the asset.
- Provisions for dilapidations are accrued based on estimation of the cost expected to crystallise on vacating leased premises.
- In determining the fair value of intangible assets arising on business combinations, management is required to estimate the timing and amount of future cash flows applicable to the intangible assets being acquired.
- Amortisation periods of trademarks, customer relationships and order book intangibles are estimates based on the expected useful lives and are assessed annually for any changes based on current circumstances.
- Management has estimated the share-based payments expense under IFRS 2. In determining the fair value of share-based payments, management has considered several internal and external factors in order to judge the

probability that management and employee share incentives may vest and to assess the fair value of share options at the date of grant. Such assumptions involve estimating a number of future performance and other factors.

- The iOLAP contingent consideration calculations under IFRS 3 contain estimation uncertainty, as the earn-out potentially payable in each case is linked to the future performance of the acquiree. In estimating the fair value of the contingent consideration, at both the acquisition date and financial year end, management has estimated the potential future cash flows of the acquirees and assessed the likelihood of an earn-out payment being made. These estimates could potentially change as a result of events over the coming years.

1.6.2. Revenue recognition

Revenue is measured as the fair value of consideration received or receivable for satisfying performance obligations contained in contracts with clients, excluding discounts and Value Added Tax. Variable consideration is included in revenue only to the extent that it is highly probable that a significant reversal will not be required when the uncertainties determining the level of variable consideration are resolved.

This occurs as follows for the Group's various contract types:

- Time-and-materials contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.

- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.

- Performance-fee contracts are recognised when the right to consideration arises on having met the relevant performance-related elements.

- Contingent-fee contracts, over and above any agreed minimum fee, are recognised at the point in time that the contingent event occurs and the Group has become entitled to the revenue.

Where contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on its stand-alone selling price. Where these are not directly observable, they are estimated based on expected cost-plus margin. Adjustments are made to allocate discounts proportionately relative to the stand-alone selling price of each performance obligation.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in the statement of comprehensive income in the period in which the circumstances that give rise to the revision became known.

For time-and-materials and fixed-fee contracts, fees are normally billed on a monthly basis. For performance-fee and contingent-fee contracts, fees are normally billed and paid when entitlement to the revenue has been established. If the revenue recognised by the Group exceeds the amounts billed, a contract asset is recognised. If the amounts billed exceed the revenue recognised, a contract liability is recognised. Contract assets are reclassified as receivables when billed and the consideration has become unconditional because only the passage of time is required before payment is due.

The Group's standard payment terms require settlement of invoices within 30 days of receipt.

The Group does not adjust the transaction price for the time value of money as it does not expect to have any contracts where the period between the transfer of the promised services to the client and the payment by the client exceeds one year.

1.6.3. Business combinations, goodwill and consideration

Business combinations

The Group applies the acquisition method of accounting to account for business combinations in accordance with IFRS 3, 'Business Combinations'.

The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. All transaction related costs are expensed in the period they are incurred as operating expenses. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the income statement.

Goodwill

Goodwill is initially measured at cost and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

The Group performs impairment reviews at the reporting period end to identify any goodwill or intangible assets that have a carrying value that is in excess of its recoverable amount. Determining the recoverability of goodwill and the intangible assets requires judgement in both the methodology applied and the key variables within that methodology. Where it is determined that an asset is impaired, the carrying value of the asset will be reduced to its recoverable amount with the difference recorded as an impairment charge in the income statement.

Contingent and non-contingent deferred consideration on acquisition

Contingent and non-contingent deferred consideration may arise on acquisitions. Non-contingent deferred consideration may arise when settlement of all or part of the cost of the business combination falls due after the acquisition date. Contingent deferred consideration may arise when the consideration is dependent on future performance of the acquired company.
Deferred consideration associated with business combinations settled in cash is assessed in line with the agreed contractual terms. Consideration payable is recognised as capital investment cost when the deferred or contingent

consideration is not employment-linked. Alternatively, consideration is recognised as remuneration expense over the deferral or contingent performance period, where the consideration is also contingent upon future employment. Where the contingent consideration is settled in a variable number of shares or cash, the consideration is classified as a liability and measured at fair value through profit and loss.

1.6.4. Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the Group's and Company's functional currency and presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.6.5. Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired in a business combination are initially measured at their fair value (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset under IAS 38. Such assets are only recognised if either:

- They are capable of being separated or divided from the company and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the company intends to do so; or

- They arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The cost of such intangible assets is the fair value at the acquisition date. All intangible assets acquired through business combinations are amortised over their estimated useful lives. The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of the intangibles acquired in business combinations are as follows:

Intangible Asset	Useful Economic Life	Valuation Method
Trademark	33.33% reducing balance	Relief from Royalty method
Customer relationships	10 - 25% reducing balance	Multi-Period Excess Earnings method
Order book	Over order term	Multi-Period Excess Earnings method

1.6.6. Tangible assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Tangible fixed asset	Useful economic life
Leasehold improvements	Over the life of the lease
Computer equipment	3 years
Fixtures and fittings	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date. Low value equipment including computers is expensed as incurred.

1.6.7. Impairments of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit and loss.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

1.6.8. Employee benefits

Post-retirement benefits

The Group pays into defined contribution pension schemes on behalf of employees, that are operated by third parties. The assets of the schemes are held separately from those of the Group in independently administered funds.

The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period.

Share-based payments

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of share options, is recognised as an employee benefit expense in the statement of profit and loss.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effect of non-market based vesting conditions) at the grant date. Fair value is measured by use of Black Scholes option valuation model.

At the end of each reporting period the assumptions underlying the number of awards expected to vest are adjusted for the effects of non-market based vesting conditions to reflect conditions prevailing at that date. The impact of any revisions to the original estimates is recognised in the statement of profit or loss, with a corresponding adjustment to equity.

The Group recognises the effects of modifications, to the terms and conditions on which equity instruments were granted, that increase the total fair value of share-based payment arrangements or are otherwise beneficial to the employee. The Group includes the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. The incremental fair value granted is the measured as the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

The Group has the obligation to pay employers' national insurance on the exercise of certain UK employee options. The Group has opted to account for the tax obligation under IFRS 2 as a cash-settled share-based payment arrangement as the amount of employers' national insurance due at the time of exercise is based on the share price of the equity instruments of the Company. The cash-settled share-based payment liability is estimated at each period end using the closing share price of the Company and the prevailing employers' national insurance rate. The number of awards expected to vest are consistent with the treatment for equity-settled share-based payments. The cost of employers' national insurance is included within share-based payments expense in the statement of comprehensive income.

Please refer to note 12 for further details.

1.6.9. Earnings per share

The Group presents basic and diluted earnings per share on an IFRS basis. In calculating the weighted average number of shares outstanding during the period, any share restructuring is adjusted to allow comparability with other periods.

Basic EPS is calculated by dividing the profit attributable to the Group's Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

The calculation of diluted EPS assumes conversion of all potentially dilutive Ordinary shares, which arise from share options outstanding. A calculation is performed to determine the number of share options that are potentially dilutive based on the number of shares that could have been acquired at fair value from the future assumed proceeds of the outstanding share options.

2. Alternative Performance Measures ("APMs")

In order to provide better clarity to the underlying performance of the Group, Elixirr uses adjusted EBITDA and adjusted EPS as alternative performance measures. These measures are not defined under IFRS. These non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance, but have been included as the Directors consider adjusted EBITDA and adjusted EPS to be key measures used within the business for assessing the underlying performance of the Group's ongoing business across periods.

Adjusted EBITDA excludes the following items from operating profit: non-cash depreciation and amortisation charges, share-based payments and non-recurring M&A-related items. Adjusted EPS excludes the following items from profit after tax: amortisation charges, share-based payments, non-recurring M&A-related items, M&A-related non-cash finance costs and their related tax impacts.

The table below sets out the reconciliation of the Group's adjusted EBITDA and adjusted profit before tax from profit before tax:

	H1 23 **£'000s**	H1 22 £'000s
Profit before tax	**9,873**	**8,423**
Adjusting items:		
M&A-related items (note 4)	55	(530)
Amortisation of intangible assets	871	904
Share-based payments	712	741
Finance cost - iOLAP contingent consideration (note 9)	293	254
Adjusted profit before tax	**11,804**	**9,792**
Depreciation	575	477
Finance (income)/cost (excluding iOLAP contingent consideration)	(30)	112
Adjusted EBITDA	**12,349**	**10,381**

The table below sets out the reconciliation of the Group's adjusted profit after tax to adjusted profit before tax:

	H1 23 **£'000s**	H1 22 £'000s
Adjusted profit before tax	**11,804**	**9,792**
Tax charge	(2,206)	(1,749)
Tax impact of adjusting items	(140)	(228)
Adjusted profit after tax	**9,458**	**7,815**

Adjusted profit after tax is used in calculating adjusted basic and adjusted diluted EPS. Adjusted profit after tax is stated before adjusting items and their associated tax effects.

Adjusted EPS is calculated by dividing the adjusted profit after tax for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period. Adjusted diluted

EPS is calculated by dividing adjusted profit after tax by the weighted average number of shares adjusted for the impact of potential Ordinary shares.

Potential Ordinary shares are treated as dilutive when their conversion to Ordinary shares would decrease EPS. Please refer to note 5 for further detail.

	H1 23	H1 22
	p	p
Adjusted EPS	20.5	16.9
Adjusted diluted EPS	18.5	15.1

3. Segmental Reporting

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Group is operated as one global business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. The Directors therefore consider that the Group has one operating segment. As such, no additional disclosure has been recorded under IFRS 8.

4. M&A-related Items

	H1 23	H1 22
	£'000s	£'000s
M&A-related items	55	(530)
- Transaction costs	55	403
- Adjustment to contingent consideration	-	(933)

The M&A-related items in H1 23 include non-recurring costs associated with M&A activity. The M&A-related net credit of £0.5m in H1 22 include adjustments to contingent consideration associated with the acquisition of Retearn and iOLAP, less non-recurring costs associated with the acquisition of iOLAP.

5. Earnings Per Share

The Group presents non-adjusted and adjusted basic and diluted EPS for its Ordinary shares. Basic EPS is calculated by dividing the profit for the period attributable to Ordinary shareholders by the weighted average number of Ordinary shares outstanding during the period.

Diluted EPS takes into consideration the Company's dilutive contingently issuable shares. The weighted average number of Ordinary shares used in the diluted EPS calculation is inclusive of the number of share options and ESPP matching awards that are expected to vest (subject to performance criteria being met) and the number of shares that may be issued to satisfy contingent M&A deferred consideration.

The profits and weighted average number of shares used in the calculations are set out below:

	H1 23	H1 22
Basic and Diluted EPS		

Profit attributable to the Ordinary equity holders of the Group used in calculating basic and diluted EPS (£'000s)	7,667	6,674
Basic earnings per Ordinary share (p)	**16.6**	14.5
Diluted earnings per Ordinary share (p)	**15.0**	12.9

	H1 23	H1 22
Adjusted Basic and Diluted EPS		
Profit attributable to the ordinary equity holders of the Group used in calculating adjusted basic and diluted EPS (note 2) (£'000s)	9,458	7,815
Adjusted basic earnings per Ordinary share (p)	**20.5**	16.9
Adjusted diluted earnings per Ordinary share (p)	**18.5**	15.1

	H1 23 **Number**	H1 22 Number
Weighted average number of shares		
Weighted average number of ordinary shares used as the denominator in calculating non-adjusted and adjusted basic EPS	46,186,481	46,186,481
Number of dilutive Ordinary shares	4,940,924	5,614,589
Weighted average number of ordinary shares used as the denominator in calculating non-adjusted and adjusted diluted EPS	51,127,405	51,801,070

6. Goodwill and Intangible Fixed Assets

	Goodwill £'000s	Trademarks £'000s	Customer relationships £'000s	Order book £'000s	**Total £'000s**
Cost					
At 31 December 2021 and 01 January 2022	51,412	7,135	1,874	-	60,421
Acquisition of business	23,391	-	2,452	1,051	26,894
Gains from foreign exchange	1,942	-	205	89	2,236
At 30 June 2022	76,745	7,135	4,531	1,140	89,551
Gains from foreign exchange	230	-	23	9	262
At 31 December 2022	76,975	7,135	4,554	1,149	89,813
Losses from foreign exchange	(1,356)	-	(143)	(60)	(1,559)
At 30 June 2023	**75,619**	**7,135**	**4,411**	**1,089**	**88,254**
Amortisation					
At 31 December 2021 and 01 January 2022	-	(4,071)	(157)	-	(4,228)
Charge for the period	-	(477)	(235)	(192)	(904)
Losses from foreign exchange	-	-	(7)	(9)	(16)
At 30 June 2022	-	(4,548)	(399)	(201)	(5,148)
Charge for the period	-	(402)	(385)	(313)	(1,100)
Gains from foreign exchange	-	-	8	8	16
At 31 December 2022	-	(4,950)	(776)	(506)	(6,232)
Charge for the period	-	(339)	(330)	(202)	(871)
Gains from foreign exchange	-	-	32	32	64
At 30 June 2023	-	(5,289)	(1,074)	(676)	(7,039)
Net book value					
At 30 June 2022	76,745	2,587	4,132	939	84,403
At 31 December 2022	76,975	2,185	3,778	643	83,581
At 30 June 2023	**75,619**	**1,846**	**3,337**	**413**	**81,215**

Goodwill

Goodwill arising on acquisition of a business in H1 22 relates to the acquisition of iOLAP and was calculated as the fair value of the consideration less the fair value of the net identifiable assets at the date of the acquisition.

In line with IAS 36, the carrying value of goodwill is not subject to systematic amortisation but is reviewed at least annually for impairment. The Group performs an annual impairment assessment. At 30 June 2023, the Directors determined that there are no indications that the assets held are at risk of impairment.

Customer Relationships and Order Book

Additions in H1 22 represent the fair value of customer relationships and the order book from the acquisition of iOLAP.

The fair values were determined by applying the Multi-Period Excess Earnings method. The amortisation charge is recognised within administrative expenses.

7. Receivables

	H1 23	FY 22
	£'000s	£'000s
Non-current assets		
Loans to shareholders	6,094	4,734
Other receivables	1,293	1,293
	7,387	**6,027**
Current assets		
Trade receivables	12,797	10,355
Less: allowance for doubtful debts	(6)	(8)
Trade receivables - net	12,791	10,347
Prepayments and deposits	839	653
Contract assets	127	26
Other receivables	81	208
	13,838	**11,234**

Loans to shareholders represent amounts owed by shareholders, who are senior employees of the Group. The loans to shareholders are interest-free and expected to be repaid beyond one year.

Non-current other receivables include property deposits and s455 tax receivable.

The carrying value of non-current other receivables and loans to shareholders is considered to be a reasonable approximation of their fair value, but has not been discounted to present value.

Trade receivables are non-interest bearing and receivable under normal commercial terms. Management consider that the carrying value of trade and other receivables approximates to their fair value. The expected credit loss on trade and other receivables was not material at the current or prior year ends.

8. Trade and Other Payables

	H1 23	FY 22

	£'000s	£'000s
Trade payables	1,180	1,178
Other taxes and social security costs	1,758	1,540
Accruals	6,327	8,599
Dividend payable	4,940	-
Contract liabilities	1,233	1,983
Other payables	2	4
	15,440	**13,304**

The fair value of trade and other payables approximates to book value at the period end. Trade payables are non-interest bearing and are normally settled monthly.

Trade payables comprise amounts outstanding for trade purchases and ongoing costs.

Contract liabilities arise from the Group's revenue generating activities relating to payments received in advance of performance delivered under a contract. These contract liabilities typically arise on short-term timing differences between performance obligations in some milestone or fixed fee contracts and their respective contracted payment schedules.

9. Other Creditors and Other Non-current Liabilities

	H1 23	FY 22
	£'000s	£'000s
Other creditors		
Contingent consideration	2,749	6,765
	2,749	**6,765**
Other non-current liabilities		
Dilapidations	375	380
Cash-settled share-based payments	135	139
Contingent consideration	2,453	5,194
	2,963	**5,713**

Other creditors and other non-current liabilities at 30 June 2023 include earn-out payments which are contingent on performance and arose from the acquisition of iOLAP.

During H1 23, £6.0m of the iOLAP contingent consideration and £0.4m of initial consideration held back for warranties under the sale and purchase agreement was settled through a cash payment to the former shareholders of iOLAP. The former shareholders of iOLAP used £4.3m of the proceeds (the after-tax amount) to purchase 789,996 Ordinary shares in Elixirr from the EBT at a price of £5.50.

Other creditors and other non-current liabilities at 31 December 2022 include earn-out payments which are contingent on performance and arose from the acquisition of Coast Digital and iOLAP.

Other non-current liabilities include cash-settled share-based payment obligations for the Group's employers' national insurance on options that are yet to vest. Refer to note 12 for further details.

Other non-current liability payments fall due beyond 12 months from the reporting date.

10. Share capital, Share premium and Merger Relief Reserve

	H1 23			
	Issued shares Number	Par value £	Merger relief reserve £'000s	Share premium £'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	24,512
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	**52,310**	**46,870**	**24,512**

	FY 22			
	Issued shares Number	Par value £	Merger relief reserve £'000s	Share premium £'000s
£0.00005 Ordinary shares	46,186,481	2,309	46,870	25,599
£1 Redeemable Preference shares	50,001	50,001	-	-
	46,236,482	**52,310**	**46,870**	**25,599**

The total number of voting rights in the Company at 30 June 2023 was 46,186,481.

Ordinary shares

On a show of hands every holder of Ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote. The shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. These rights are subject to the prior entitlements of the Redeemable Preference shareholders.

Redeemable Preference shares

The Redeemable Preference shares are entitled to dividends at a rate of 1% per annum of paid up nominal value. The shares have preferential right, before any other class of share, to a return of capital on winding-up or reduction of capital or otherwise of the Company. The Redeemable Preference shares are redeemable 100 years from the date of issue or at any time prior at the option of the Company.

11. Employee Benefit Trust ("EBT") Share Reserve

The Employee Benefit Trust ('"EBT") is accounted for under IFRS 10 and is consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included in the Group statement of financial position and shares held by the EBT in the Company are presented as a deduction from equity.

The EBT share reserve comprises of Ordinary and Redeemable Preference shares bought and held in the Group's EBT.

At 30 June 2023, the Group EBT held 469,682 (FY 22: 1,204,965) Ordinary shares and 50,001 Preference shares (FY 22: 50,001) at a weighted average cost of £4.97 (FY 22: £5.89) and £1.01 (FY 22: £1.01) respectively.

12. Share-based Payments

Share Option Plans

The Group operates EMI and unapproved share option plans with time-based and performance-based vesting conditions.

During H1 23, a total of 2,112,139 (H1 22: 1,268,329) share options were granted to employees and senior management. The weighted average fair value of the options awarded in the period is £1.23 per share.

During H1 23, options issued since April 2021 were repriced to an exercise price of £5.20. The weighted average incremental fair value granted as a result of this modification was £0.32. The incremental fair value was measured as the difference between the fair value of the repriced share option and that of the original share option, both estimated as at the date of the modification. The incremental fair value is recognised as an expense over the remaining vesting period from the modification date.

Details of share option awards made are as follows:

	Number of share options (000's)	**Weighted average exercise price (£)**
Outstanding at 31 December 2022	10,886	3.47
Granted during the period	2,112	5.15
Exercised during the period	(57)	2.34
Forfeited during the period	(1,147)	4.51
Outstanding at 30 June 2023	**11,794**	**3.37**
Exercisable at 30 June 2023	**281**	**5.45**

The options outstanding at 30 June 2023 had a weighted average remaining contractual life of 2 years and 8 months (H1 22: 3 years and 3 months) and a weighted average exercise price of £3.37 (H1 22: £3.16) per share.

For the options exercised during H1 23, the weighted average share price at the date of exercise was £5.05.

The options were fair valued at the grant date using the Black Scholes option valuation model. The inputs into the model were as follows:

	H1 23	H1 22
Weighted average share price at grant date (£)	4.93	7.24
Weighted average exercise price (£)	5.15	7.28
Volatility (%)	27.0%	25.7%
Weighted average vesting period (years)	4.3	4.9
Risk free rate (%)	3.7%	1.5%
Expected dividend yield (%)	2.3%	0.6%

Expected volatility was determined by calculating the historic volatility of comparable companies in the market in which the Group operates. The expected expense calculated in the model has been adjusted, based on management's best estimate, for the effects of non market-based performance conditions and employee attrition.

Reasonable changes in the above inputs do not have a material impact on the share-based payment charge in H1 23.

Fixed Consideration Options

In addition to the share options set out in the table above, share options with an exercise price of £0.00005 were issued in connection with the acquisition of Coast Digital. These share options are for a fixed monetary consideration where the number of share options is variable and determined with reference to the share price at the date of vesting.

The monetary value of such share options is as follows:

	Value (£'000s)
Outstanding at 31 December 2022	797
Exercised during the period	(297)
Outstanding at 30 June 2023	**500**
Exercisable at 30 June 2023	**-**

The share price at the date of exercise of the Coast Digital options was £4.74.

The weighted average remaining contractual life of such options at 30 June 2023 was 1 year (H1 22: 2 years).

Employee Share Purchase Plan ("ESPP")

The Group operates an employee share purchase plan where the employees of the Group (excluding Partners) are eligible to contribute a percentage of their gross salary to purchase shares in the Company. The Company makes a matching award of shares that will vest over time dependent on continued employment.

During H1 23, the Company awarded 185,075 (H1 22: 89,841) matching shares on the basis of one matching share for every one employee share purchased during FY 22. The matching shares vest equally over a 5-year period with the first tranche vesting on 31 January 2024.

Details of ESPP awards made are as follows:

	Number of ESPP awards (000's)
Outstanding at 31 December 2022	78
Granted during the period	185
Vested and converted to shares during the period	(15)
Forfeited during the period	(28)
Outstanding at 30 June 2023	**220**

13. Ordinary Dividends

The Board proposed a final Ordinary share dividend in respect of the financial year ended 31 December 2022 of 10.8 pence per Ordinary share, which was approved by shareholders at the Annual General Meeting on 13 June 2023.

14. Cash Flow Information

Cash generated from operations:

	H1 23 **£'000s**	H1 22 £'000s
Profit before taxation	**9,873**	**8,423**
Adjustments for:		
Depreciation and amortisation	1,446	1,381
Net finance expense	263	366
Share-based payments	712	741
Adjustment to contingent consideration	-	(933)
Increase in trade and other receivables	(2,982)	(1,710)

Decrease in trade and other payables	(3,038)	(5,329)
Foreign exchange	261	(272)
	6,535	**2,667**

15. Events After the Reporting Date

On 18 August 2023 the Company paid the final Ordinary share dividend in respect of the financial year ended 31 December 2022. The amount paid of £4.9m represented 10.8 pence per Ordinary share.

On 15 September 2023, the Group acquired 100% of the share capital and voting rights of Responsum Inc. ("Responsum"), a US-headquartered firm which has developed proprietary artificial intelligence (AI) software. The Group was already working closely with Responsum prior to the acquisition and sees a significant opportunity to offer iOLAP's data consulting services in conjunction with Responsum's AI platform to our client base.

The Group acquired Responsum for a maximum enterprise value of US$7.4 million. The maximum equity consideration is US$6.4m, which consists of:

- Initial consideration of US$2.0m in cash;
- Initial consideration of US$3.4m to be settled through the issue in September 2023 of 505,196 Elixirr International plc Ordinary shares at a price of £5.40 per share;
- Potential earn-out payments of up to US$1.0 million in cash which are contingent on iOLAP Inc. and Responsum Inc. together achieving EBIT margin targets in periods up to 31 December 2026.

Disclosure of the amounts recognised as of the acquisition date for each major class of assets acquired and liabilities assumed, fair value adjustments and goodwill on the acquisition of Responsum has not be made given the limited amount of time available between the acquisition date and the date this interim report was authorised for issue.

As at 15 September 2023, in accordance with the Financial Conduct Authority's Disclosure and Transparency Rules, the Company continues to have 46,186,481 Ordinary shares in issue, of which none are held in Treasury. The total number of voting rights in the Company is 46,186,481. This figure of 46,186,481 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

After the issue of 505,196 shares as initial consideration for the acquisition of Responsum (as detailed above in this note 15), the total number of Ordinary shares in issue and voting rights in the Company will be 46,691,677.