i-nexus Global plc
Unaudited results for the six months ended 31 March 2019.

Financial Highlights

- Group Revenue £2.31m (H1 18 £2.24m)
- Loss before tax £1.91m (H1 18 £0.38m) reflecting continued investment and expansion plans
- Cash & cash equivalents as at 31 March 2019 of £4.76m (31 March 2018: £0.22m) taking into account IPO net proceeds and subsequent expenditure
- Continued high levels of recurring revenue, representing 82% of total revenue (H1 2018: 89%), with stronger than expected service revenues
- Gross Margin increased to 75% (H1 2018: 68%)

Simon Crowther, Chief Executive, of i-nexus Global plc, commented: *"Over the last nine months we have transformed the operational structure of i-nexus, bringing in senior executives to all key business areas. This has provided the impetus for a refocusing of our go-to-market, Customer Success and product strategies, to more effectively capture our significant market opportunity. We are starting to see the results of these efforts in increases in existing customer service and upsell revenue and new customer conversions leading to increases in monthly recurring revenue through Q219 into Q319. This, coupled with our increased sales pipeline and our continued focus on financial control, means the Board expects to secure a positive outcome for the current financial year and beyond."*

BUSINESS REVIEW

Following a phase of significant investment into the business after the IPO in June 2018, the structure, reach and capability of the Group has been transformed. Staff numbers have increased to over 90 people (a 50% uplift), including key strategic and management hires across all operational teams. We are now better positioned to sell our market leading products and have the resources and expertise to support a significant scaling of our customer base, including a growing aftersales service capability. This influx of experience has had a particularly positive impact on our go-to-market and product development strategies. We have refined and realigned our strategy in these two areas, which puts us in a stronger position to capture our significant market opportunity and capitalise on our first mover competitive advantage within the enterprise market for Hoshin Kanri based strategy execution software. Pleasingly, we are starting to see evidence of positive pipeline progression and broader applicability to support this core strategy.

Investments in our customers, both through review and refinement of our sales process and our expanded customer success team, have delivered larger than expected increases in our services revenue, which evidence shows is a pre-cursor to upsells of recurring revenue. This has proven to be the case with a number of our customers in the first half, with more in the forward pipe which we are looking to close in H2. The resulting shift in revenue mix seen in the first half is expected to rebalance as the rate of new customer wins accelerate in the second half and beyond.

Recognised revenues for the period increased 3% to £2.31m (H1 2018: £2.24m), with the majority of revenue associated with recent new customer wins in the half to be recognised in future periods. Loss before tax increased to £1.91m (H1 2018: £0.38m), in line with management expectations, as we continue to invest proceeds from the IPO to grow the business. Period end net cash increased to £4.76m (H1 2018: £0.22m).

As previously reported, target Monthly Recurring Revenue ("MRR") returned to more normalised patterns of growth in the period. After some known customer churn which took place early in the first half, we saw improved levels of underlying growth and closed the period at an MRR run rate of £335k (FY18: £335k), which has continued to increase into Q319. While the reported customer churn at the start of the period was frustrating, the investments we have made into our account management teams following IPO means we now have greater visibility and insight into customer accounts and closer, more productive relationships as a result. This has proven to be a valuable tool in supporting the growth in existing customer revenues.

Market opportunity

We continue to believe the market opportunity for enterprise level strategy execution software is significant, and for the growing area of Hoshin Kanri based tools in particular. Two of the leading industry research houses, Gartner and Forrester, have indicated their intention to initiate coverage on the sector, citing a growing interest from enterprises in strategy execution software. Our own marketing initiatives bear this out and we are seeing a growing number of RFPs for strategy execution software from within a growing number of sub-sectors. We are confident the breadth of our platform and its proven ability to run complex strategy programmes at depth and scale, across thousands of employees in multiple geographies, puts us in a strong position to benefit from this evolving market.

The Group's target market is primarily the Global 5000 and, more specifically, the 2,800 companies of this number that are based in the USA and Europe. In October we established a small office space in New York for our six new US hires covering Implementation, Success, Support, Pre-sales consulting and Sales. This is a key step for both scaling efficiently and embedding ourselves within one of our largest market opportunities.

Go to market strategy

Direct sales

Following the significant increase in the size and experience levels of our sales team, we initiated a review of our sales processes and pipeline during the first half of the year. The first stage of this process was a requalification of our sales pipeline, removing prospects we now consider to be too immature in their current deployments of strategy execution to be able to benefit within the next 12 months from our software. These types of opportunities are now being passed on to our consultancy channel partners for further development, and we anticipate will return as more qualified near-term prospects in 12-18 months. While this resulted in an expected reduction in the scale of our pipeline and new customer signings in the first half of the year were lower than previously anticipated, the quality and deliverability of our pipeline improved. The sharpened focus ensures we can target leads more effectively, with new customer signings accelerating in the second half. This increased focus combined with newly implemented, innovative marketing initiatives has resulted in a significantly larger pipeline of better qualified opportunities which should have a greater likelihood of converting.

We have entered the second half of the year with a three-fold increase in our number of near-term qualified leads, compared to H2 2018. A proof point of the success of the change of strategy has been the shortening of our sales cycle for our two most recent customer wins, from an average of seven months previously to less than four months. In addition, we continue to grow our breadth and depth of applicability to our existing customers as evidenced by a growing uptake of incremental services, thereby underlining our 'land and expand' strategy.

We are also pleased to report a growing and broader sectorial presence with new customers secured in the first half of the year, including a robotics company, an additional UK Public sector Trust, two tier 1 automotive suppliers and a Private Equity company, who has licenced our technology for use across all its investee businesses.

Channel partners

Following the refocusing of our direct sales activity, as described above, we consider channel partners to play a key role in our growth strategy in two ways:

- successful nurturing of our longer-term sales leads and
- the potential to significantly increase our customer base, at a lower cost of sale through introducing us to their own customer base.

We have identified five strong potential Hoshin mature consulting partners who all have a pipeline of prospects we can capitalise on and have started to assess potential collaboration opportunities. Having restructured and refined our approach to targeting new business, we are now better equipped to focus on developing these channel partners and build scale in the second half of the year and beyond.

Cross and upsell to existing customers

Many of our customers are relatively mature in their use of Hoshin to support strategy execution but have thus far only implemented our software at certain levels of the business, or only in certain divisions or locations. Our significantly expanded customer support team facilitates an increase in our levels of licencing and service provision to our existing customers. This will be achieved through targeted sales efforts and education focused on the additional capabilities within our software platform, which is expected to have a consequential impact on revenues generated from these customers.

One of a number of successful examples of this investment has been seen in the first half of the year at one of our accounts, who through the support of our success and professional services team have expanded the use of our software beyond that of the initial deployment; extended across the whole organisation and into additional use cases, thus increasing their monthly recurring revenue by ~50%. Additionally, one of our longest standing customers is now in the early stages of major upsell through their new holding company which should be delivered in the second half, contributing to our full year expectations. Focussing on our customers remains a key strategic initiative of the Group.

Product Innovation

We were delighted to welcome James Davies as EVP of Product in January. Reflecting on the importance of getting the detail of our product strategy right as soon as possible, we have filled this role earlier than we had originally anticipated. It has been a hugely positive decision, with James making a strong impact on this critical part of the business.

The many years of investment into our software has created a comprehensive, enterprise grade strategy execution platform, with all the key elements necessary to support the world's largest businesses such as security, configurability and integration. We are now in a position to focus on the evolution of the platform's usability to facilitate wider use across an organisation and ensure all its capabilities are more easily available. The product strategy, reflected in the revised product and technology roadmaps, focuses initially on delivering a consumer-grade experience for each type of user, making it easier to use at an entry level and increasing the business analytics within it.

A simplified experience leads to stronger adoption and ensures the data is available to unlock insight and demonstrate executive value. To this end two new products are being developed to cater to the different needs of executives, for whom gaining insight through visualisation/analytics is a priority, and casual users who will benefit from being able to make fast updates. Both experiences will be made available to customers later in CY19.

Current Trading and Outlook

The first half of 2019 had a sales mix that evidenced both a growing applicability to our existing customers and an increasing momentum in new sales. We have had an encouraging start to the second half of the year, and expect new deal cadence to continue to improve. Our total pipeline order value is running ahead of the prior year giving us optimism in our full year outlook, assuming normal and timely conversion rates. Our direct sales pipeline continues to grow and we are encouraged by the early indications coming from our channel partners. Having now largely completed our investment phase, our focus for the next half of the year is to utilise the talent within the business, grow our customer relationships, maintain product leadership and so capitalise on the growing market appetite for differentiated strategy execution software.

FINANCIAL REVIEW

Reported revenue

Revenue increased by 3% to £2.31m from £2.24m in the prior comparative period. This low growth reflects some higher than expected churn experienced in October which was in turn included in our forecasts. The majority of revenue associated with contracts secured in Q2 will be recognised in future periods. The Group signed seven new customers (H1 2018: eight) all under recurring contracts of at least one year in length, typically paid annually in advance. Revenue from recurring contracted software subscriptions was £1.89m (H1 2018: £1.98m) and from associated professional services was £0.41m (H1 2018: £0.25m). The growth in professional services is encouraging as this can lead to increased MRR spend by customers in future periods and reflects the closer relationships we now have with customers following our investments into account management and 'Customer Success'.

Gross Margin

Gross margin in the year was 75% (H1 2018: 68%) after accounting for commission payable to the Group's business partners. Gross margin has improved, as expected, as the operational benefits of the IPO investments have begun to feed through and pricing in Professional Services in particular has strengthened. Reported gross margin is the blended gross margin over both recurring software subscriptions and professional services.

Overheads

Overhead (defined as the aggregate of staff costs, other operating expenses but excluding those costs included in cost of sale) increased in the period from £1.85m (at 31 March 2018) to £3.60m. We have added ~£300k of monthly run rate cost to the Group since IPO, as planned. We have adjusted our investment into the business in line with our revenue growth in the first half of the year and have held back some investment as we await an uptick in our revenue line.

Capitalised development costs amounted to £55k in the period (H1 2018 £0), reflecting the significant increase in our development capacity and progress being made on enhancing the product as planned.

The Group's loss before taxation was £1.91m (H1 2018: £0.38m).

Cash flow

The Group is in a strong financial position, with cash balances of £4.76m, at 31 March 2019 (30 September 2018: £6.94m). Gross debt at 31 March 2019 was £0.52m (31 March 2018: £1.05m) of which £0.19m was payable within one year. This substantial reduction in debt is a result of both the repayment and conversion to equity of shareholder debt at IPO.

The Group experienced a net outflow of funds from operating activities of £1.73m (H1 2018 £0.12m).

The Group will continue to apply treasury and foreign currency exposure management policies to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

Capital expenditure

The Group operates an asset light strategy and has low capital requirements, therefore expenditure on fixed assets is low at 6% of revenue (H1 2018: 2%). This increase is a result of some much-needed investment in our internal infrastructure and equipment for the additional team members hired.

i-nexus
Strategy Execution Software

i-nexus Global plc

Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 31 March 2019	As restated Unaudited Six months ended 31 March 2018	As restated Audited Year ended 30 September 2018
	£	£	£
Revenue	2,307,343	2,244,361	4,741,915
Cost of Sales	(585,085)	(727,442)	(1,488,028)
Gross Profit	1,722,259	1,516,919	3,253,887
Administrative Expenses	(3,598,966)	(1,854,708)	(4,139,628)
Operating Loss	(1,876,707)	(337,789)	(885,741)
Finance Income	3,360	(0)	1,847
Financing Costs	(38,980)	(43,660)	(124,384)
Loss before tax	(1,912,326)	(381,450)	(1,008,278)
Tax	46,134	91,662	186,957
Loss for the period/year	(1,866,192)	(289,787)	(821,321)
Other comprehensive income			
Exchange differences arising on translation of foreign operations	12,609	(4,223)	(54)
Loss on net investment hedge	(38,281)	0	(28,529)
Total comprehensive loss for the period/year	(1,891,865)	(294,011)	(849,904)
	£	£	£
Basic and diluted loss per share	(0.06)	(0.21)	(0.05)

Consolidated Statement of Financial Position

	Unaudited As at 31 March 2019 £	*As restated Unaudited* As at 31 March 2018 £	*As restated Audited* As at 30 September 2018 £
Assets			
Non-current assets			
Intangible assets	110,011	-	55,011
Property plant and equipment	303,002	111,462	199,222
Total non-current assets	413,013	111,462	254,233
Current assets			
Trade and other receivables	2,436,367	1,662,644	1,751,956
Current tax receivable	183,162	73,702	183,162
Cash and cash equivalents	4,761,743	222,687	6,940,573
Total current assets	7,381,272	1,959,033	8,875,691
Total assets	7,794,285	2,070,495	9,129,924
Current liabilities			
Borrowings.	190,937	967,505	298,998
Trade and other payables	1,105,393	914,756	904,668
Deferred income	2,397,994	2,786,068	1,856,852
Total current liabilities	3,694,324	4,668,329	3,060,518
Non-current liabilities			
Borrowings	325,650	77,649	403,230
Provisions	80,702	40,702	80,702
Total non-current liabilities	406,352	118,351	483,932
Total liabilities	4,100,676	4,786,680	3,544,450
Net assets	3,693,609	(2,716,185)	5,585,474
Equity			
Share capital	2,957,161	1,417,216	2,957,161
Share premium	7,256,188	4,086,013	7,256,188
Capital redemption reserve	-	6,468,287	-
Share based payment reserve	-	63,254	-
Foreign exchange reserve	(35,181)	(13,677)	(9,508)
Merger reserve	10,653,881	-	10,653,881
Accumulated losses	(15,272,248)	(14,447,491)	(15,272,248)
Accumulated losses in period/year	(1,866,192)	(289,787)	-
Total Equity	3,693,609	(2,716,185)	5,585,474

Consolidated Statement of Cash Flow

	Note	Unaudited As at 31 March 2019 £	Unaudited As at 31 March 2018 £	Audited As at 30 September 2018 £
Cash flows from operating activities				
Loss before taxation		(1,912,326)	(381,450)	(1,008,278)
Adjustments for non-cash/non-operating items				
Depreciation and profit on disposal		43,788	22,156	53,737
IPO Costs		-	-	175,088
Share based payment		-	39,676	30,000
Finance income		(3,360)	-	(1,847)
Finance charges		38,980	43,660	124,384
		(1,832,918)	(275,958)	(626,916)
Changes in working capital:				
(Increase/Decrease) in trade and other receivables		(684,411)	(143,936)	(250,945)
(Increase/Decrease) in trade and other payables		741,867	17,920	(976,963)
Taxation		46,134	279,140	282,671
Net cash from operating activities		(1,729,328)	(122,834)	(1,572,153)
Cash flows from investing activities				
Purchase of property, plant and equipment		(147,568)	(37,366)	(118,141)
Purchase of development costs		(55,000)	-	(55,011)
Interest received		3,360	-	1,847
Net cashflow from investing activities		(199,208)	(37,366)	(171,305)
Cash flows from financing activities				
Proceeds from shares		-	-	9,982,508
Less issue cost		-	-	(1,381,090)
Proceeds from borrowings		-	500,000	1,299,863
Repayment of borrowings		(185,641)	(314,904)	(1,338,486)
Interest paid		(38,980)	(43,660)	(124,384)
Net cash flow from financing activities		(224,621)	141,436	8,438,411
Net decrease in cash and cash equivalents		(2,153,157)	(18,764)	6,694,953
Cash and cash equivalents beginning of the period		6,940,573	245,674	245,674
Effect of foreign exchange rate changes		(25,673)	(4,223)	(54)
Cash and cash equivalents at the end of the period		4,761,743	222,687	6,940,573

Consolidated Statement of Changes in Equity

	Issued Capital	Share Premium	Capital Redemption Reserve	Share Based Payment Reserve	Foreign exchange reserve	Merger reserve	Accumulated losses	As restated Total Equity
	£	£	£	£	£	£	£	£
Unaudited								
As at 1 October 2017	1,417,216	4,086,013	6,468,287	23,578	(9,454)	-	(14,307,385)	(2,321,745)
IFRS15 Impact on Accumulated losses	-	-	-	-	-	-	(140,106)	(140,106)
As at 1 October 2017 (As Restated)	1,417,216	4,086,013	6,468,287	23,578	(9,454)	-	(14,447,491)	(2,461,851)
Loss for period	-	-	-	-	-	-	(289,787)	(289,787)
Other comprehensive income for the period	-	-	-	-	(4,223)	-	-	(4,223)
Share based payment	-	-	-	39,676	-	-	-	39,676
As at 31 March 2018	1,417,216	4,086,013	6,468,287	63,254	(13,677)	-	(14,737,278)	(2,716,185)
As at 30 September 2018	2,957,161	7,256,188	-	-	(9,508)	10,653,881	(15,272,248)	5,585,474
As at 1 October 2018	2,957,161	7,256,188	-	-	(9,508)	10,653,881	(15,272,248)	5,585,474
Loss for period	-	-	-	-	-	-	(1,866,192)	(1,866,192)
Other comprehensive income for the period	-	-	-	-	(25,673)	-		(25,673)
Share based payment	-	-	-	-	-	-	-	-
As at 31 March 2019	2,957,161	7,256,188	-	-	(35,181)	10,653,881	(17,138,440)	3,693,609

Notes to the consolidated interim report

For the six months ended 31 March 2019

1. General information

i-nexus Global plc (the "Company") is a public limited company domiciled in the UK and incorporated in England and Wales (registered number 11321642) and its registered office is George House, Herald Avenue, Coventry Business Park, Coventry CV5 6UB

The principal activity of i-nexus Global plc ("the Company") and its subsidiary company i-solutions Global Limited (together "i-nexus Global" or "the Group") is the development and sale of Enterprise Cloud based software and associated professional Consultancy services.

The interim condensed consolidated financial statements were approved for issue on 29 May 2019.

2. Basis of preparation

This unaudited interim condensed consolidated financial information has been prepared under the historical cost convention and in accordance with AIM Rules for Companies. The interim condensed consolidated financial information has been prepared on a going concern basis and is presented in Sterling to the nearest £1.

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those set out in the 2018 Annual Report and Accounts except in the case of IFRS 15. IFRS 15 has been adopted for the first time. Our previously reported Interim results for 31st March 2018 have therefore been restated to reflect the adoption of this Standard. The impact of IFRS15 has adjusted our brought forward accumulated losses for year ended 2017 from £14,307,385 to £14,447,491 (As shown on the Statement of Changes in Equity). The deferred revenue brought forward figure for 2018 has been amended from £2,554,995 to £2,695,101. The impact on the full year accounts for 2018 meant a net increase to revenue of £28,245 and for the half year for 2018 a net decrease of £20,578. Further IFRS standards or interpretations may be issued that could apply to the Group's financial statements for the year ending 30 September 2019. If any such, new standards or interpretations are issued, these may require the financial information provided in this report to be changed. The Group will continue to review its accounting policies in the light of emerging industry consensus on the practical application of IFRS.

The preparation of financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the events or actions involved, actual outturns ultimately may differ from those estimates. The interim information does not include all financial risk management information and disclosures required in annual financial statements; the information should be read in conjunction with the financial information, as at 30 September 2018, summarised in the 2018 Annual Report and Accounts. There have been no significant changes in any risk management policies since 30 September 2018.

The interim condensed consolidated financial information for the six months ended 31 March 2019 and for the six months ended 31 March 2018 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and are unaudited. The financial information for the six months ended 31 March 2019 presents financial information for the consolidated group, including the financial results of the Company's wholly owned subsidiary, i-solutions Global Limited. Comparative figures in the Interim Report for the year ending 30 September 2018 have been taken from the Group's audited financial statements on which the Group's auditors, Saffery Champness LLP, expressed an unqualified opinion.

3. Segmental reporting

The Directors consider that there is one identifiable business segment that is engaged in providing individual products or services or a group of related products and services that comprise the core business.

All of the Group's assets and operations are located in the UK and the USA.

4. Loss per share

The calculation of basic and diluted loss per share for the six months to 31 March 2019 was based upon the loss attributable to ordinary shareholders of £1,891,865 (six months to 31 March 2018: £294,011, year ended 30 September 2018: £849,904) and a weighted average number of ordinary shares in issue of 29,571,610 (six months to 31 March 2018: 1,417,216, year ended 30 September 2018: 18,495,089), calculated as follows:

Weighted average number of ordinary shares

	Six months ended 31 March 2019	Six months ended 31 March 2018	Year ended 30 September 2018
Issued ordinary shares at start of period/year	29,571,610	1,417,216	1,417,216
Effect of shares issued	–	27,337	28,154,394
Weighted average number of shares at end of period/year	29,571,610	1,432,386	18,495,089

Due to the losses incurred there is no dilutive effect from the issue of share options. At 31 March 2018, there were 2,410,425 share options granted but not yet exercised (31 March 2017: 2,453,425; 30 September 2017: 2,375,925).

5. Related party transactions

Transactions entered into with related parties are as follows:

	Amount invoiced to related party H1 2019	**Amount invoiced by related party H1 2019**	Amount invoiced to related party H1 2018	Amount invoiced by related party H1 2018	Amount invoiced to related party FY 2018	Amount invoiced by related party FY 2018
	£	**£**	£	£	£	£
Napkin Jack	**-**	**46,275**	-	-	-	10,270

Note 1: Napkin Jack is owned by a James Davies, formerly an NED for the Group now employed as the EVP Product.

No amounts were outstanding to or from the related parties at 31 March 2019

During each financial period, the Company entered into numerous transactions with its subsidiary company, which net off on consolidation; these have not been shown above.

6. Availability of Interim Report

Electronic copies of this Interim Report will be available on the Company's website at www.i-nexus.com.

7. Principle risks and uncertainties

Although the directors seek to minimise the impact of risk factors, the Group is subject to a number of those most relevant to our H2 are as follows:

Customer churn

The Group has experienced falling revenues in relation to certain customers in the past and in H1. The reasons for this are varied and our historical ability to invest in our customers was limited. So whilst the ramp up in investments is seeing benefits Customer churn is still a risk for the Group and could affect the Group's trading and financial position and prospects.

Failure of strategy execution market to grow at the rate expected

The Directors believe that there is strong evidence supporting the growth in the adoption of Strategy Execution software. However, there can be no assurance that this growth will happen at the rate envisaged by the Directors. If the market fails to adopt Strategy Execution software at the rate envisaged then this will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.

The Group may face competition in a rapidly evolving market

The Group may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. The entry into the market of strong, well-funded competitors, including, but not limited to, in-house systems developed by either internal IT departments or third-party consulting firms/system integrators could have a negative impact on sales volumes or profit margins achieved by the Company in the future.

Risks relating to growth plans

The Company's strategy depends upon market acceptance of its solution to support its growth plans. There is a risk that if the i-nexus solution is not accepted by the market as effectively as the Board anticipate, the Company's investment in sales, marketing and development of the i-nexus solution may exceed revenue growth, which could likewise impact upon the Group's financial position and prospects.

8. Forward-looking statements

This announcement may include certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology. These statements are made by the Directors in good faith based on the information available to them at the date of this announcement and reflect the Directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in government policies, spending and procurement methodologies, and failure in health, safety or environmental policies. No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements speak only as at the date of this announcement and the Company and its advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this announcement. No statement in the announcement is intended to be, or intended to be construed as, a profit forecast or to be interpreted to mean that earnings per share for the current or future financial years will necessarily match or exceed the historical earnings. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

9. Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

i) The condensed interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union; and

ii) The interim management report includes a fair review of the information required by the FCA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.