TPXimpact

6 months ended 30 September 2023

HALF YEAR RESULTS

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5 December 2023

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CONTENTS

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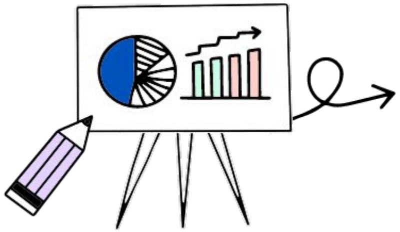
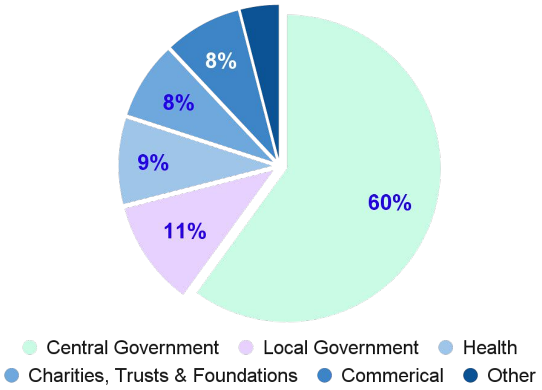
H1 2024 SUMMARY



Revenue[1]	Adjusted EBITDA[1]	New Business	Net debt
£41.6m	£2.0m	£105m	£12.8m
Up 22% on a like-for-like basis	EBITDA Margin of 4.8%		Excluding lease liabilities
(H1 2023: £34.1m)	(H1 2023: £0.9m; Margin of 2.6%)	(H1 2023: £37m, FY2023: £115m)	(FY 2023: £17.5m)

- 9% headcount (FTE) growth (on a like-for-like basis vs FY2023)
- 86% staff retention rate (based on annualised run-rate)
- 51% Female representation (H1 2023: 49%)
- Carbon footprint down 7%

Sectors



[1] From continuing operations

DIRECTION OF TRAVEL

Building a platform for an integrated transformation business

FOCUS & BALANCE

- More commercially balanced decision making
- Improve margin & commercial performance
- Implement new systems to improve performance management
- Balance purpose and commercial focus better
- Grow strategic accounts and cross-sales
- Further integration when stability allows

FY24

FORM & INTEGRATE

- Integrate complementary businesses into the digital transformation platform
- Organic growth in Digital Experience
- Drive our people strategy to embed performance, commercial focus, and purpose
- Purpose as the heart of our business not an ESG add-on
- Improved management performance information

FY25

GROW & DIFFERENTIATE

- Accelerate growth primarily through digital transformation business, but also in digital experience agency
- Complementary in-fill acquisitions
- Winning and delivering larger/more impactful programmes of work
- Broaden footprint to "end-to-end" engagements
- Purpose as our differentiator because it's who we are
- 10-15% CAGR FY23 - FY26 and Adj EBITDA margin target of 10-12% in FY26.

FY26

PROGRESS ON TRACK

Building a platform for an integrated transformation business

FOCUS & BALANCE

- More commercially balanced decision making
- Improve margin & commercial performance
- Implement new systems to improve performance management
- Balance purpose and commercial focus better
- Grow strategic accounts and cross-sales
- Further integration when stability allows

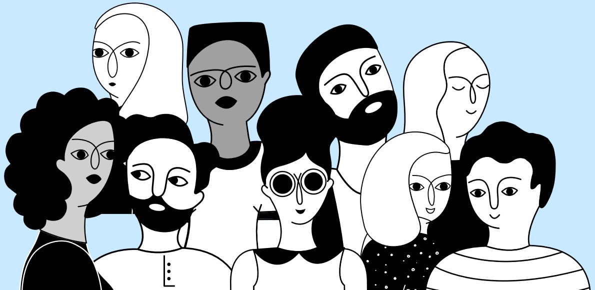
OPERATIONAL GROWTH

- The Group secured two of its largest contracts to date; Department for Education (up to £27.4m over 2 years) and His Majesty's Land Registry (up to £49m over 4 years)
- New London hub - The Hickman Building (The world's first SmartScore Platinum rated building, the global standard for cutting-edge smart buildings*)
- Sale of Questers and disposal of TPXimpact Norway
- Certifications secured - Cyber Essentials+, ISO9001 and ISO27001
- 86% People retention rate; **PACT** values engagement and roll out
- Employee satisfaction/happiness scores improved slightly: from 6.6 to 6.7 against a target of 7.5, despite organisational change in H1
- 105 new hires (FTE), with a more efficient mix of permanent and contractor headcount
- 7% reduction in carbon footprint
- Increased cross working between business units; Digital Transformation business will be fully integrated over the coming months

*www.gpe.co.uk/portfolio/the-hickman

MAKING A DIFFERENCE

Björn Conway



PEOPLE-POWERED TRANSFORMATION

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Design meetup


Wear it pink


Roving researchers


Breast Cancer Now


Client Services & Bids meetup


Trussell Trust

DIGITAL TRANSFORMATION

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Department for Levelling Up, Housing & Communities

Department for Education

DEPARTMENT FOR LEVELLING UP, HOUSING AND COMMUNITIES

Home buying and selling

33% of home buying transactions fail, wasting 4 million working days and £1bn for estate agents and conveyancers every year. But the problem is complex – it requires coordinated change across a huge system and depends on 800 data points.

DLUHC commissioned us to apply our expertise in policy design to make recommendations for how government could change the system and reduce transaction failures for users.

We supported them to develop a 5-year vision which was **announced by Jeremy Hunt at the Autumn Statement 2023**.

We've also made recommendations that will significantly **reduce failure rates and save hundreds of millions** for the sector each year.

DEPARTMENT FOR EDUCATION

Teacher continuing personal development

There are 500,000 teachers in the UK and every new teacher now starts their career with a 2-year professional development course called the Early Career Framework.

We're providing services to run this Framework – paying training providers, making sure that teachers get easy access to the training materials they need and ongoing support from a professional mentor.

We also provide the same services to help teachers train to become headteachers.

Directly supporting more than 20,000 teachers each year, this will improve teacher retention rates, save DfE money and ultimately mean that there's an **excellent teacher for every child**.

DIGITAL EXPERIENCE

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ZOOLOGICAL SOCIETY OF LONDON

Growing conversion by 30%

ZSL faced critical issues with its global website, encompassing unreliable data, an unresponsive mobile site, and inadequate content representation, negatively impacting user engagement and SEO performance. We proposed a comprehensive digital restructuring plan, recommending the creation of three distinct sites tailored to specific audiences utilising the rebrand to give a unique experience.

The transformation yielded substantial results, with users spending three times longer on the websites and a remarkable **59% enhancement** in overall user experience. Estimated **revenue growth reached 30%**, aligning with conservation goals for ZSL. **Nigel Campbell, Chief Marketing & Engagement Officer at ZSL**, expressed satisfaction with the award-worthy websites and the project's seamless execution.

BREAST CANCER NOW

Partnering to deliver digital unification

In 2021, Breast Cancer Now partnered with TPXimpact for a digital unification strategy, aiming to align its fragmented digital platforms and bolster its mission to eradicate breast cancer. The comprehensive program involved unifying technology, embedding human-centered thinking and experience principles, achieving brand synergy. This strategic vision encompassed the integration of multiple websites, systems and processes, focusing on consistent user experiences, rebranding, and enhancing their digital ecosystem.

The new events multisite has seen a remarkable **53% increase in sign-ups**, notably boosting income for Afternoon Tea by **20%** compared to 2021.

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Steve Winters

FINANCIAL & ESG RESULTS

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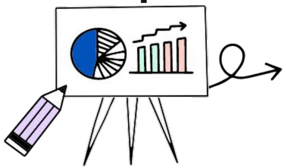
H1 2024 FINANCIAL RESULTS



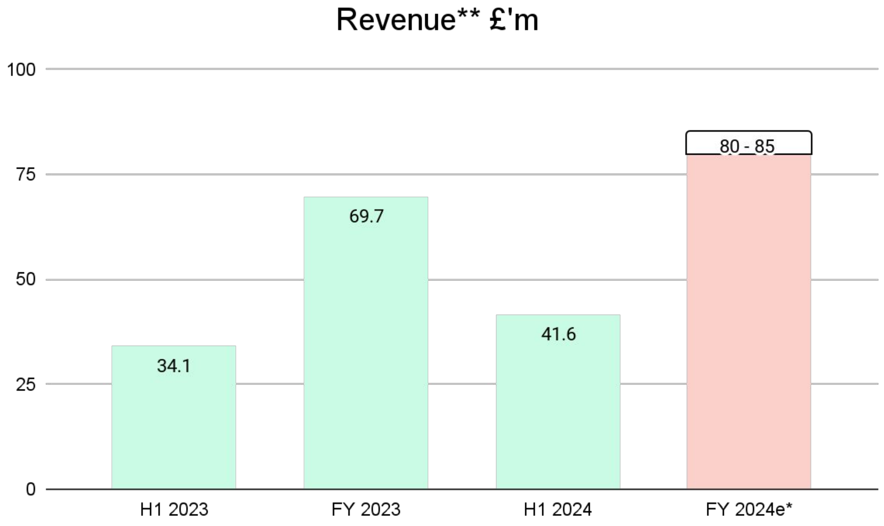
Revenue[3]	Adjusted EBITDA[1,3]	Adjusted profit before tax[1,3]	Adj diluted EPS[1,3]	Reported operating loss[3]
£41.6m	£2.0m	£0.6m	0.5p	£(9.0)m
(H1 2023: £34.1m)	(H1 2023: £0.9m)	(H1 2023: £0.4m)	(H1 2023: 0.4p)	(H1 2023: £(3.9)m)

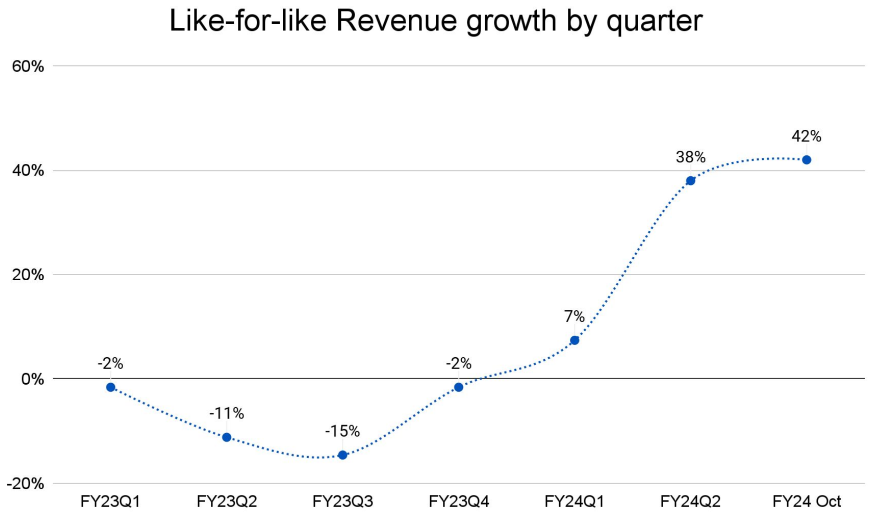
Like-for-like Revenue growth[1,3]	Adj EBITDA margin[1,3]	FY24 revenues in backlog/committed	Net debt [2]	Cash at period-end
22%	4.8%	90%	£12.8m	£7.2m
	(H1 2023: 2.6%)		(FY 2023: £17.5m)	(FY 2023: £6.8m)

"Comfortable headroom vs banking covenants"

[1] In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which distort period-on-period comparisons. These are considered non-GAAP financial measures, and include measures such as like-for-like revenue, adjusted EBITDA and net debt.
[2] Excluding lease liabilities
[3] From continuing operations

REVENUE BY YEAR AND QUARTER

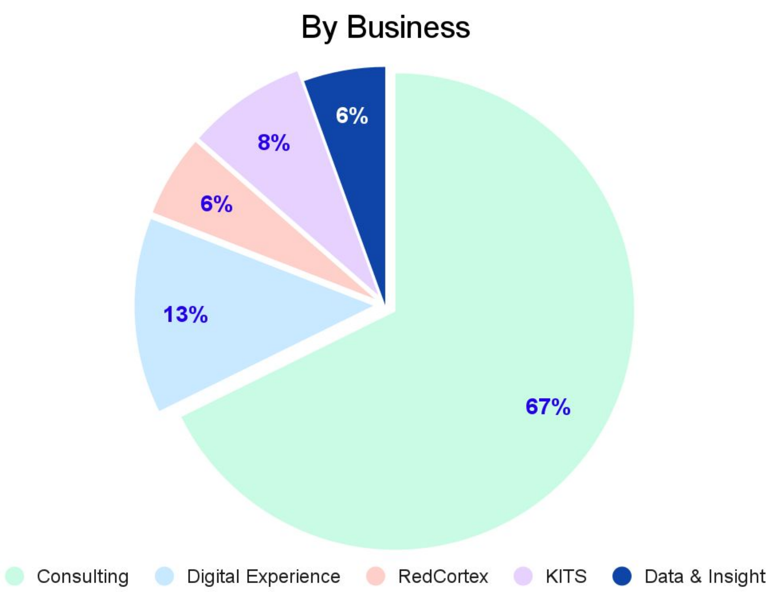




*FY2024 represents the revenue range based upon our 15-20% growth target; Consensus forecasts are also within this range
***Based upon the results of continuing operations.*

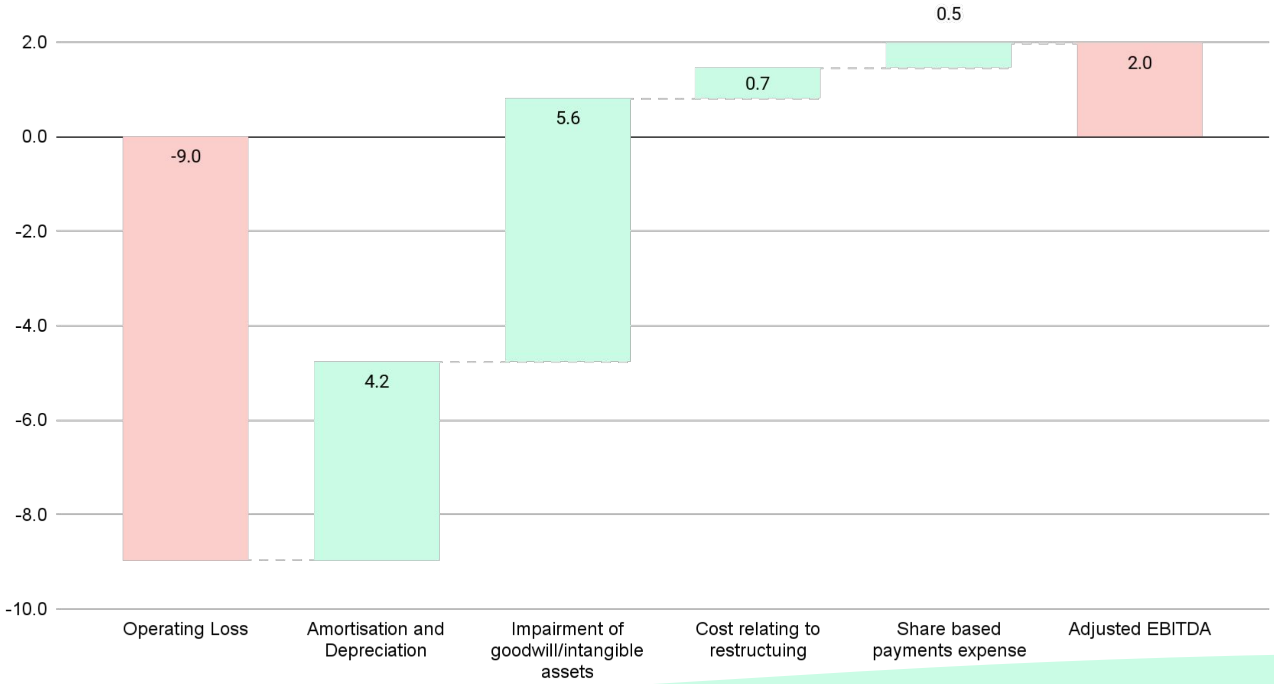
*FY23 figures are LFL growth as disclosed in that year.
**FY24 figures are LFL growth based on continuing operations excluding Questers and Norway

H1 2024 REVENUE SPLIT*



**Based upon the results of continuing operations.*

RECONCILIATION OF H1 2024* REPORTED OPERATING LOSS TO ADJ EBITDA



*Based upon the results of continuing operations.

ESG RESULTS

Like-for-like Permanent FTE

535

(FY 2023: 489)

New jobs created (FTE)

46

(H1 2023: 32)

Ethnic minority representation

20%

(H1 2023: 19%)

Female representation

51%

(H1 2023: 49%)

tCO2e per FTE (annualised)

1.87

(FY 2023: 2.02)

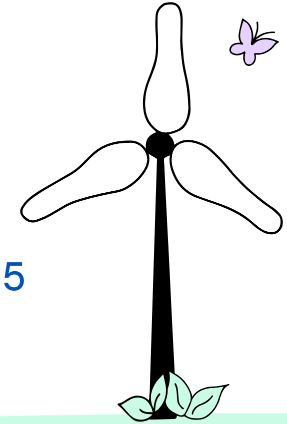
tCO2e by£1m revenue

15.07

(FY 2023: 17.77)

Carbon footprint

Down 7% to 735 tCO2e in H1



MARKET CONDITIONS AND OUTLOOK

LOOKING FORWARDS... Q&A

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Market

- Demand for digital transformation expertise will continue to be strong, with external forecasts predicting mid single-digit CAGR forecast to 2026*
- General election may create short-term disruption, but longer-term opportunities
- Public services (especially Central Government) will continue to look for efficiencies through innovation

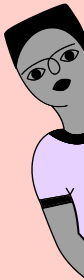
Current Trading

- October revenue growth of 42%; margins in line with management expectations
- Backlog of almost 90% of full year revenue
- Pipeline remains encouraging

Outlook

- Confident of meeting FY24 targets of 15-20% revenue growth and 5-6% Adjusted EBITDA margin
- Continue to simplify and improve the business, balancing purpose with commercial success
- FY25 Targets reaffirmed: revenue growth 10-15%; Margins 2-3pp higher than FY24

*Tech Market View. UK SITS Consulting Market: Suppliers, Trends & Forecasts 2022 - 2026



THANK YOU

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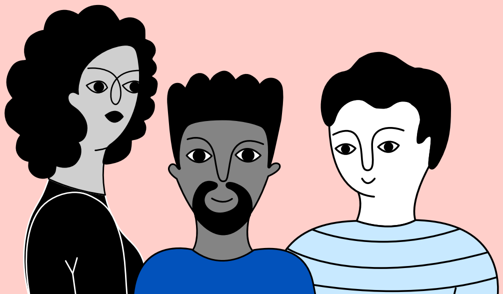

Appendix

INCOME STATEMENT

STATUTORY

Revenues from continuing operations were up 22.1% with growth driven by the Consulting business due to significant wins with Central Government. Gross profit increased to £10.9m from £9.3m and although gross margins reduced to 26.2% from 27.4% there was a progressive improvement from Q1 to Q2 as we completed recruitment of permanent roles and reduced reliance on contractors.

A non-cash impairment charge of £5.6m has been taken on goodwill in relation to RedCortex.

Other admin costs include MIS and IT costs, as well as property, marketing and other non-staff costs.

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Income statement Continuing operations £'000	H1 2024	H1 2023
Revenue	**41,622**	**34,075**
Gross profit	**10,904**	**9,341**
GM %	*26.2%*	*27.4%*
Administrative costs:		
Staff costs	(6,006)	(5,531)
Goodwill Impairment	(5,564)	-
Depreciation and amortisation	(4,228)	(3,240)
Restructuring & acq costs	(674)	(1,512)
Share-based payments	(501)	82
Other admin costs	(2,919)	(3,089)
Operating loss	**(8,988)**	**(3,949)**
Finance costs	(1,070)	(371)
Loss before tax	**(10,058)**	**(4,320)**
Tax credit	874	587
Loss after tax	**(9,184)**	**(3,733)**

STATEMENT OF FINANCIAL POSITION

Net assets decreased in the period by £6.3m largely due to the £5.6m impairment of goodwill recognised on RedCortex.

As a result of the disposal of the Group's subsidiary TPXimpact Norway in October 2023, the relevant assets and liabilities are shown as 'held for sale'.

The last remaining earnout liability in respect of past acquisitions was settled in shares in June 2023.

Balance Sheet £'000	TPXimpact H1 2024	FY 2023
Goodwill	49,085	59,486
Intangible assets	19,521	23,458
Tangible assets	2,237	1,911
Cash	7,171	6,772
Other investments	2,188	2,188
Receivables	18,843	21,305
Assets held for sale	731	-
Total assets	**99,776**	**115,120**
Borrowings	(19,979)	(24,317)
Contingent consideration	-	(225)
Lease liabilities	(2,033)	(1,473)
Deferred tax	(4,855)	(5,796)
Payables	(12,107)	(16,624)
Liabilities held for sale	(385)	-
Total liabilities	**(39,359)**	**(48,435)**
Net assets	**60,417**	**66,685**

CASH FLOW/NET DEBT

Net debt (excluding lease liabilities) at 30 September 2023 was £12.8m compared with £17.5m at 31 March 2023 and £14.1m at 30 September 2022.

The decrease in net debt in the first half of £4.7m includes £7.5m of cash proceeds from the sale of Questers, less £1.0m of interest paid and a net working capital outflow of £1.7m (largely attributable to the unwinding of deferred income recorded at year-end). The Group used £4.3m of the Questers proceeds to repay debt, reducing borrowings to £20.0m at 30 September 2023. A further £1.0m was repaid in November 2023.

New banking covenants now apply based on minimum cash liquidity levels on a monthly basis and minimum Adjusted EBITDA performance levels on a quarterly basis. The Group has comfortably satisfied its covenants since they were reset in June 2023 and our forecasts indicate this headroom will continue.

Cash Flow £'000	H1 2024	H1 2023
Cash from operations activities before NWC	1,814	(811)
Net Working Capital	(1,709)	(209)
Net cash from total operating activities	**105**	**(1,020)**
Tangible and intangible asset additions	(104)	(423)
Cash relating to acquisitions/disposals	6,236	(1,787)
Net cash from investing activities	**6,132**	**(2,210)**
Borrowings (repaid)/issued	(4,300)	2,300
Share related activities/dividends	-	(251)
Other financing activities	(1,347)	(573)
Net cash from financing activities	**(5,647)**	**1,476**
Net increase/(decrease) in cash	**590**	**(1,754)**
Opening cash (inc disc. ops)	**6,772**	**7,914**
Exchange rate fluctuations and discontinued ops	(191)	39
Closing cash (exc disc. ops)	**7,171**	**6,199**
Debt	(19,979)	(20,270)
Adj net debt	**(12,808)**	**(14,071)**

ADJ PROFIT AFTER TAX RECONCILIATION

Directors believe that an 'adjusted profit after tax' measure is more representative of the underlying performance of the Group for the calculation of adjusted diluted earnings per share.

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Adjusted profit after tax Continuing operations £'000	H1 2024	H1 2023
Statutory loss before tax	**(10,058)**	**(4,320)**
Amortisation of intangible assets	3,894	3,101
Loss on fair value movement of contingent consideration	7	148
Goodwill/intangibles impairment	5,564	–
Share based payments	501	(82)
Restructuring & acq costs	674	1,512
Adjusted profit before tax	**582**	**359**
Tax (excluding impact of above adjustments)	(83)	32
Adjusted profit after tax	**499**	**391**

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SHARE COUNT

Ordinary shares Number of shares '000	HY2024	HY2023	FY2023
Period/year-end	**92,160**	**91,177**	**91,876**
Weighted average	**92,056**	**89,771**	**90,613**
Contingent consideration	-	1,911	284
Own shares - SIP/EBT	(1,757)	(256)	(712)
Average basic	**90,299**	**91,426**	**90,185**
Dilutive share options outstanding	1,363	990	3,839
Average diluted	**91,662**	**92,416**	**94,024**