5 September 2023

THE PEBBLE GROUP PLC

("The Pebble Group" or the "Group")

UNAUDITED HALF YEAR RESULTS 2023

Solid performance with strategic progress

The Pebble Group (AIM: PEBB, OTCQX: PEBBF), a leading provider of digital commerce, products and related services to the global promotional products industry, announces its unaudited results for the six months ended 30 June 2023 ("HY 23" or the "Period").

Having achieved solid year on year growth in HY 23, the Board expects that for the year ending 31 December 2023 ("FY 23") the Group's results will be in line with market expectations.

Financials

Statutory results	**HY 23**	HY 22	Change	FY 22
Revenue	**£63.3m**	£60.3m	+5%	£134.0m
Gross profit margin	**42.8%**	38.5%	+4.3ppt	39.3%
Operating profit	**£3.3m**	£3.1m	+6%	£10.2m
Profit before tax	**£3.1m**	£2.8m	+11%	£9.7m
Basic earnings per share	**1.37p**	1.27p	+8%	4.55p

Other financial highlights	**HY 23**	HY 22	Change	FY 22
Adjusted EBITDA[1]	**£7.5m**	£6.7m	+12%	£18.0m
Net cash / (debt)[2]	**£4.2m**	£(0.1)m	+£4.3m	£15.1m
Adjusted basic earnings per share[3]	**2.08p**	1.88p	+11%	5.78p

Financial highlights and outlook

- Group Adjusted EBITDA up 12% following solid trading across the Group
- Facilisgroup: Revenue for HY 23 of £9.2m up 24% on HY 22 generating £4.3m Adjusted EBITDA (HY22: £3.5m)
- Brand Addition: Revenue for HY 23 of £54.2m up 2.5% on HY 22 generating £4.5m Adjusted EBITDA (HY 22: £4.4m)
- Gross profit margins increase 4.3 percentage points to 42.8%, driven by higher contribution from Facilisgroup and improved margins at Brand Addition of 33.2% (HY 22: 29.9%)
- Balance sheet strong and working capital cycle following its normal pattern, with good profit to cash conversion resulting in a net cash position at the full year expected to be circa £17m
- The Board expects FY 23 results to deliver on market expectations

Operational highlights

- Strong profit margins maintained in parallel with investments into our technology, sales and marketing strategies

- In Facilisgroup:
    - New wins saw Syncore grow to 238 Partners at 4 September 2023 (31 December 2022: 225) with a strong pipeline
    - Commercio Stores, our ecommerce offering introduced in 2022, became revenue generating with, to date, circa 20% of Partners utilising the product
    - Good progress made on the development of the Orders product, aimed at smaller distributors, with a Beta version launched in H2 2023
- Brand Addition revenue growth continues to be underpinned by its diverse and loyal client base with investments into ESG and global capabilities further differentiating the business with its target market

Commenting on the results, Chris Lee, Chief Executive Officer of Pebble Group said: "Our attractive markets and blue-chip clients have seen Facilisgroup and Brand Addition trade solidly in the first half, as we deliver against our stated strategies. Both businesses have strong and differentiated market positions and we look forward to FY 23 when results are expected to be in line with market expectations. We anticipate that Facilisgroup will become the majority contributor to our profits as we move through 2024."

[1] *Adjusted EBITDA means operating profit before depreciation, amortisation and share-based payments charge*

[2] *Net cash/(debt) is calculated as cash and cash equivalents less borrowings (excluding lease liabilities)*

[3] *Adjusted basic earnings per share ("EPS") represents Adjusted Earnings meaning profit after tax before amortisation of acquired intangible assets and share-based payments charge divided by a weighted average number of shares*

Online analyst and investor presentation

A presentation for sell-side analysts will take place at 8:00am today by webinar. Those wishing to attend should email investors@thepebblegroup.com

The management team is hosting an online investor presentation with Q&A at 12.30pm on Friday, 8 September 2023. To participate, please register with PI World at https://bit.ly/PEBB_H123_webinar

Enquiries:

The Pebble Group
Chris Lee, Chief Executive Officer
Claire Thomson, Chief Financial Officer
+44 (0) 750 012 4121

Temple Bar Advisory (Financial PR)
Alex Child-Villiers
William Barker / Sam Livingstone
+44 (0) 207 183 1190
pebble@templebaradvisory.com

Grant Thornton UK LLP (Nominated Adviser)
Samantha Harrison / Harrison Clarke / Ciara Donnelly
+44 (0) 207 184 4384

Berenberg (Corporate Broker)
Ben Wright / Marie Moy / Yasmina Benchekroun
+44 (0) 203 207 7800

About The Pebble Group

The Pebble Group is a provider of digital commerce, products and related services to the global promotional products industry, comprising two differentiated businesses, Facilisgroup and Brand Addition, focused on specific areas of the promotional products market. For further information, please visit www.thepebblegroup.com.

CHIEF EXECUTIVE OFFICER'S REVIEW

Summary of results

We are pleased to report that both of our businesses, Facilisgroup and Brand Addition, traded solidly throughout HY 23, with the Group achieving Revenue of £63.3m (HY 22: £60.3m), Adjusted EBITDA of £7.5m (HY 22: £6.7m) and Operating profit of £3.3m (HY 22: £3.1m).

The Group's balance sheet is underpinned by Brand Addition's blue-chip client base with Group working capital and cash management following its usual in-year cycle. Our businesses have a good track record of converting profit to cash, which has continued, and the Group had Net cash at 30 June 2023 of £4.2m (30 June 2022: Net debt £0.1m and 31 December 2022: Net cash £15.1m).

Facilisgroup: *providing a digital commerce platform for promotional products businesses in North America*

Revenue and profit analysis

	HY 23	HY 22	FY 22
Recurring revenue	**£8.6m**	£7.0m	£15.5m
Other revenue	**£0.6m**	£0.4m	£1.1m
Total revenue	**£9.2m**	£7.4m	£16.6m
Gross profit margin	**100%**	100%	100%
Adjusted EBITDA	**£4.3m**	£3.5m	£9.0m
Operating profit	**£2.2m**	£1.7m	£5.0m

Total revenue, the vast majority of which is recurring, increased by 18.4% in USD, the business's home currency, and 24.3% in GBP, compared to HY 22. The strong profit margins have been maintained alongside investing in our technology, sales and marketing strategies.

The Gross Merchandise Value ("GMV") transacted through our technology increased by 9% to USD688m (HY 22: USD630m) and total Partners (customers of our flagship product, Syncore) at 4 September 2023 grew to 238 (31 December 2022: 225) backed by an increasing new business pipeline. Strong Partner retention rates continue, demonstrating how our technology and related services are key to their business operations.

Our aim at Facilisgroup has been to extend the breadth of our technology to offer both order workflow and ecommerce solutions to the circa 20,000 distributors across the North American promotional products market. We are pleased to report that by the end of 2023, the following products will be in market:

Syncore: Order workflow, focussed on distributors with revenues of >USD2m. This is our flagship product upon which results to date have been principally based

Commercio Stores: Ecommerce Stores, aimed at all sizes of distributors. Launched to market in H2 2022
Commercio Orders: Order workflow, focussed on distributors with revenues of <USD2m. Launched in Beta stage in H2 2023

Commercio Stores, our ecommerce offering introduced in 2022, is further developing its product features to position it as a leading solution in the promotional products sector. Total paying customers of this product at 4 September 2023 was 55, which includes 45 existing Partners of Syncore. The pricing strategy is based on a monthly fee plus a fee per store which, as Commercio grows, will in effect increase our percentage fee per USD of GMV. With the launches of Commercio Stores and Orders now completed we expect a decreasing trend of capital investment from circa 30% of historic Facilisgroup revenues towards a more normalised level of 15% to 20%.

As we bring new products to market, our revenue growth is expected to be delivered by increasing the GMV through adding new customers and increasing the services we offer. We intend to evolve our KPIs to reflect this, disclosing customer numbers, the GMV transacted through our platform and the resultant "Attach Rate" percentage derived from the amount of income earned against this GMV.

We believe that Facilisgroup, with its strong market position, current rate of growth and excellent profit margins, will become the majority contributor to Group profits moving through 2024.

Brand Addition: *providing promotional products and related services under contract to many of the world's most recognisable brands*

Revenue and profit analysis

	HY 23	HY 22	FY 22
Revenue	**£54.2m**	£52.9m	£117.4m
Gross profit	**£18.0m**	£15.8m	£36.1m
Gross profit margin	**33.2%**	29.9%	30.7%
Adjusted EBITDA	**£4.5m**	£4.4m	£11.5m
Operating profit	**£2.7m**	£2.8m	£8.0m

At Brand Addition, HY 23 revenue increased to £54.2m, 2.5% ahead of HY 22 with client retention remaining high. Revenue by client sector has broadly followed trends in the global economy, with revenues from our Technology and Consumer sector clients being lower in HY 23 than HY 22 whilst revenue from our Engineering and Transport sector clients has grown in the same period. Our sector diversity and embedded client relationships has insulated the business through a turbulent economic cycle.

Brand Addition supports its clients through providing complex services, ranging from the design of bespoke products and product ranges to the hosting of web stores. Our target market clients have promotional merchandise strategies that require creative product solutions with a strong and consistent sustainability focus, delivered across multiple geographies. We believe that Brand Addition is one of the few businesses with the skills, knowledge and experience to provide this level of service at scale. This has afforded the business the opportunity to improve its gross margins compared to the prior period whilst maintaining its EBITDA margins, after investing to support our clients evolving needs.

The majority of revenue of Brand Addition is generated through approximately 70 client contracts and with a new business development target list of 800 companies, Brand Addition has a large addressable

market to grow into. Current new business tendering activity remains consistent with prior years. Through this new business development and growth within the existing client base, we aim for high single digit year-on-year revenue growth.

Environmental, Social and Governance ("ESG")

ESG activity is a key component of our Group strategy and continues to evolve based upon business need, best practice and stakeholder comment. We have recently updated our ESG cornerstones and revised our ESG Materiality Assessment based upon feedback from a wide range of stakeholders and this development can be found under the ESG section of our website, https://www.thepebblegroup.com/about-us/esg/ . In Q2 2024, we will issue our third ESG Report, reiterating our ESG priorities, actions and progress against our targets.

Group outlook

We are continuing to deliver on our stated strategies for Facilisgroup and Brand Addition. Both businesses have strong and differentiated market positions and we look forward to FY 23 when results are expected to be in line with market expectations.

Christopher Lee
Chief Executive Officer
5 September 2023

CHIEF FINANCIAL OFFICER'S REVIEW

	HY 23 Unaudited £'m	HY 22 Unaudited £'m	FY 22 Audited £'m
Revenue	**63.3**	60.3	134.0
Gross profit	**27.1**	23.2	52.7
Gross profit margin	**42.8%**	38.5%	39.3%
Adjusted EBITDA	**7.5**	6.7	18.0
Adjusted EBITDA margin	***11.8%***	*11.1%*	*13.4%*
Depreciation and amortisation	**(3.4)**	(3.0)	(6.5)
Share-based payment charge	**(0.8)**	(0.6)	(1.3)
Operating profit	**3.3**	3.1	10.2
Net finance costs	**(0.2)**	(0.3)	(0.5)
Profit before tax	**3.1**	2.8	9.7
Tax	**(0.8)**	(0.7)	(2.1)
Profit for the Period	**2.3**	2.1	7.6
Weighted average number of shares	**167,450,893**	167,450,893	167,450,893
Adjusted Basic EPS	**2.08p**	1.88p	5.78p
Basic EPS	**1.37p**	1.27p	4.55p

Our results demonstrate growth in both our businesses against HY 22 as we continue to progress our stated strategy.

Revenue

Revenue for the Period to 30 June was £63.3m (HY 22: £60.3m), an increase of £3.0m (5.0%) compared to the same period in 2022. Facilisgroup total revenues increased £1.8m (24.3% increase on HY 22). Annual Recurring Revenue ("ARR") growth was 22.9% (17.4% when measured in Facilisgroup's home currency of USD). This was achieved through increases in our Management Fees from additional Partner numbers, implementation of a new tiered pricing structure and growth in our Marketing Fund where we benefited from increased Partner numbers utilising our Preferred Suppliers. The balance of the increase relates to Brand Addition, which grew £1.3m or 2.5%. Revenue by sector for Brand Addition has broadly followed trends in the wider economy.

Gross profit

Gross profit as a percentage of revenue increased to 42.8% (HY 22: 38.5%). Of this 4.3p.p.t increase, 3.3p.p.t is an increase in gross margins at Brand Addition as the business has maintained strong control of its supply chain alongside being able to improve gross margins to reflect the increasing complexity of the services demanded by its customers. The balance of the increase reflects the increasing proportion of Facilisgroup of the Group as a whole.

Adjusted EBITDA

Adjusted EBITDA was £7.5m (HY 22: £6.7m). The increase of £0.8m is made up as follows:

- Facilisgroup £0.8m increase from incremental revenue net of the costs of investment to support delivery of the medium-term revenue aspirations;
- Brand Addition £0.1m increase as improvements in gross margin have been invested in expertise to support the increasing complexity of client services; and
- Central costs increase of £0.1m.

The Adjusted EBITDA margin increased to 11.8% (HY 22: 11.1%) as a result of the increasing proportion of Facilisgroup revenue to the Group EBITDA.

Depreciation and amortisation

The total charge for the Period was £3.4m (HY 22: £3.0m) of which £2.2m (HY 22: £1.9m) was the amortisation of intangible assets. In accordance with IAS 38, the Group capitalises the costs incurred in the development of its software and the increase is a result of continued investment in proprietary technology and specifically the digital commerce platform at Facilisgroup.

Share-based payments

The total charge for the Period under IFRS 2 "Share-based payments" was £0.8m (HY 22: £0.6m). This related to the awards made to date under the 2019 Long Term Incentive Plan and the Group Sharesave Plan (SAYE).

Operating profit

Operating profit for the Period was £3.3m (HY 22: £3.1m).

Taxation

The tax charge for the Period to 30 June was £0.8m (HY 22: £0.7m) and is based on the full year Group expected tax charge for 2023. The expected rate for the year incorporates the increase in the UK Corporation tax rate from 19% to 25% on 1 April 2023.

Basic Earnings per share

The earnings per share analysis in note 5 covers both adjusted earnings per share (profit after tax before amortisation of acquired intangibles, share-based payments charge and exceptional items divided by the weighted average number of shares in issue during the year), and statutory earnings per share (profit attributable to equity holders divided by the weighted average number of shares in issue during the year). Adjusted earnings were £3.5m (HY 22: £3.2m) an increase in adjusted basic earnings per share of 0.20 pence. Basic earnings per share was 1.37 pence per share (HY 22: 1.27 pence per share) an increase of 0.10 pence.

Dividends

In March 2023, the Board announced a maiden dividend payment in respect of FY 22 and in doing so stated its intention to implement a progressive dividend policy moving in the medium-term, towards its stated position at IPO of making dividend payments of c.30% of profit after tax. The Board remains committed to this decision but does not consider the introduction of an interim dividend payment is necessary at this time. An update on the dividend payment in respect of FY 23 will be provided at the time of the full year announcement in March 2024.

Cashflow

The Group had a cash balance of £4.2m at 30 June 2023 (30 June 2022: £5.4m, which included £5.5m drawn down from its £10.0m committed revolving credit facility).

Cashflow for the Period is set out below:

	HY 23 Unaudited £'m	HY 22 Unaudited £'m	FY 22 Audited £'m
Adjusted EBITDA	**7.5**	6.7	18.0
Movement in working capital	**(9.7)**	(14.8)	(3.4)
Capital expenditure	**(4.0)**	(3.6)	(8.4)
Leases	**(0.9)**	(0.9)	(1.7)
Adjusted operating cash flow	**(7.1)**	(12.6)	4.5
Tax paid	**(1.5)**	(0.3)	(1.7)
Net finance cash flows	**(0.3)**	5.2	(0.5)
Dividend paid	**(1.0)**	-	-
Exchange loss	**(1.0)**	1.0	0.7
Net cash flow	**(10.9)**	(6.7)	3.0

The movement in working capital in the Period was £(9.7m) (HY 22: £(14.8m)). The outflow is in line with the normal in-year cycle which peaks in Q3. The reduced outflow when compared with prior period reflects the mix of sales in Brand Addition which have been weighted towards locally sourced products where the working capital cycle is shorter.

Capital expenditure in the Period was £4.0m (HY 22: £3.6m). This spend relates principally to investment in the Facilisgroup digital commerce platform which we expect to peak in 2023.

Lease payments relate to leases capitalised in accordance with IFRS 16.

Net finance cash flows in the Period of £(0.3)m (HY 22: £5.2m). HY 22 included £5.5m in respect of the utilisation of committed facilities less £(0.3)m interest payments in respect of leases capitalised in accordance with IFRS 16. At 30 June 2023 the committed facilities had not been utilised, interest payments on leases are consistent with HY 22.

Cash and liquidity

The Group's working capital cycle is unwinding as expected. The high point experienced in the period from June to August 2023 is reducing, as we progress towards the year end, with clients and Partners continuing to pay to agreed terms. The Group had Net cash of £3.1m at 4 September 2023. This includes £2.0m drawn down from the £10.0m committed revolving credit facility. The company continues to demonstrate an attractive profit to cash conversion and as such we expect Net cash at the full year end, 31 December 2023 to be in line with current market expectation of circa £17m (31 December 2022: £15.1m).

Claire Thomson
Chief Financial Officer
5 September 2023

CONSOLIDATED INCOME STATEMENT

	Notes	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
		£'000	£'000	£'000
Revenue		**63,317**	60,316	134,025
Cost of goods sold		**(36,188)**	(37,099)	(81,279)
Gross profit		**27,129**	23,217	52,746
Operating expenses		**(23,810)**	(20,168)	(42,523)
Operating profit		**3,319**	3,049	10,223
Analysed as:				
Adjusted EBITDA[1]	6	**7,480**	6,698	18,042
Depreciation	8	**(1,115)**	(1,134)	(2,384)
Amortisation	7	**(2,224)**	(1,877)	(4,182)
Share-based payment charge	11	**(822)**	(638)	(1,253)
Operating profit		**3,319**	3,049	10,223
Finance expense		**(266)**	(245)	(520)
Profit before taxation		**3,053**	2,804	9,703
Income tax expense	4	**(751)**	(673)	(2,090)
Profit for the period		**2,302**	2,131	7,613

Basic earnings per share	5	**1.37p**	1.27p	4.55p
Diluted earnings per share	5	**1.37p**	1.27p	4.54p

Note 1: Adjusted EBITDA, which is defined as operating profit before depreciation, amortisation, exceptional items, and share-based payment charge is a non-GAAP metric used by management and is not an IFRS disclosure.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Unaudited Period ended 30 June 2023	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Items that may be subsequently reclassified to profit and loss			
Foreign operations - foreign currency translation differences	**(1,901)**	2,443	2,190
Other comprehensive (expense)/income for the period/year	**(1,901)**	2,443	2,190
Profit for the period/year	**2,302**	2,131	7,613
Total comprehensive income for the period/year	**401**	4,574	9,803

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	***Unaudited As at 30 June 2023***	*Unaudited As at 30 June 2022*	*Audited As at 31 December 2022*
		£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	7	**60,353**	58,765	60,002
Property, plant and equipment	8	**8,729**	10,194	9,492
Deferred tax asset		**270**	395	292
Total non-current assets		**69,352**	69,354	69,786
Current assets				
Inventories		**14,788**	16,081	15,447
Trade and other receivables		**36,901**	38,587	34,693
Cash and cash equivalents		**4,184**	5,351	15,058
Total current assets		**55,873**	60,019	65,198
TOTAL ASSETS		**125,225**	129,373	134,984
LIABILITIES				
Non-current liabilities				
Lease liability	9	**6,795**	8,185	7,490
Deferred tax liability		**2,370**	3,751	2,860
Total non-current liabilities		**9,165**	11,936	10,350
Current liabilities				
Borrowings		**-**	5,500	-
Lease liability	9	**1,496**	1,612	1,569

Trade and other payables	**28,403**	30,485	36,413
Current tax liability	**397**	169	1,063
Total current liabilities	**30,296**	37,766	39,045
TOTAL LIABILITIES	**39,461**	49,702	49,395
NET ASSETS	**85,764**	79,671	85,589
EQUITY AND RESERVES			
Share capital	**1,675**	1,675	1,675
Share premium	**78,451**	78,451	78,451
Capital reserve	**125**	125	125
Merger reserve	**(103,581)**	(103,581)	(103,581)
Translation reserve	**(1,038)**	1,116	863
Share-based payments reserve	**2,671**	1,203	1,892
Retained earnings	**107,461**	100,682	106,164
TOTAL EQUITY	**85,764**	79,671	85,589

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital reserve	Merger reserve	Translation reserve	Share-based payments reserve	Retained earnings	**Total equity**
	£'000	£'000		£'000	£'000		£'000	**£'000**
At 1 January 2022	1,675	78,451	125	(103,581)	(1,327)	681	98,551	74,575
Profit for the period	-	-	-	-	-	-	2,131	2,131
Other comprehensive income for the period	-	-	-	-	2,443	-	-	2,443
Total comprehensive income	-	-	-	-	2,443	-	2,131	4,574
Employee share schemes - value of employee services	-	-	-	-	-	577	-	577
Deferred tax on employee share schemes	-	-	-	-	-	(55)	-	(55)
Total transactions with owners recognised in equity	-	-	-	-	-	522	-	522
At 30 June 2022	1,675	78,451	125	(103,581)	1,116	1,203	100,682	79,671
Profit for the period	-	-	-	-	-	-	5,482	5,482
Other comprehensive expense for the period	-	-	-	-	(253)	-	-	(253)
Total comprehensive (expense)/income	-	-	-	-	(253)	-	5,482	5,229
Employee share schemes - value of employee services	-	-	-	-	-	619	-	619
Deferred tax on employee share schemes	-	-	-	-	-	70	-	70

Total transactions with owners recognised in equity	-	-	-	-	-	689	-	689
At 31 December 2022	1,675	78,451	125	(103,581)	863	1,892	106,164	85,589
Profit for the period	-	-	-	-	-	-	2,302	2,302
Other comprehensive expense for the period	-	-	-	-	(1,901)	-	-	(1,901)
Total comprehensive (expense)/income	-	-	-	-	(1,901)	-	2,302	401
Employee share schemes - value of employee services	-	-	-	-	-	743	-	743
Deferred tax on employee share schemes	-	-	-	-	-	36	-	36
Dividend paid	-	-	-	-	-	-	(1,005)	(1,005)
Total transactions with owners recognised in equity	-	-	-	-	-	779	(1,005)	(226)
At 30 June 2023	**1,675**	**78,451**	**125**	**(103,581)**	**(1,038)**	**2,671**	**107,461**	**85,764**

CONSOLIDATED CASH FLOW STATEMENT

	Notes	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
		£'000	£'000	£'000
Operating profit		**3,319**	3,049	10,223
Adjustments for:				
- Depreciation	8	**1,115**	1,134	2,384
- Amortisation	7	**2,224**	1,877	4,182
- Share-based payments charge	11	**822**	638	1,253
- Loss on disposal of fixed assets	8	**3**	-	19
Cash flows from operating activities before changes in working capital		**7,483**	6,698	18,061
- Change in inventories		**659**	(5,988)	(5,354)
- Change in trade receivables		**(2,208)**	(9,148)	(5,271)
- Change in trade payables		**(8,089)**	321	7,263
Cash flows (used in)/from operating activities		**(2,155)**	(8,117)	14,699
- Income taxes paid		**(1,545)**	(326)	(1,712)
Net cash flows (used in)/from operating activities		**(3,700)**	(8,443)	12,987
Cash flows from investing activities				
- Purchase of property, plant and equipment		**(349)**	(444)	(945)
- Purchase of intangible assets		**(3,687)**	(3,104)	(7,434)
Net cash flows used in investing activities		**(4,036)**	(3,548)	(8,379)
Cash flows from financing activities				
- Lease payments		**(919)**	(929)	(1,737)
- Interest paid		**(266)**	(245)	(520)
- Dividend paid		**(1,005)**	-	-

- Receipts from secured loan facilities	-	5,500	-
Net cash flows (used in)/from financing activities	**(2,190)**	4,326	(2,257)
NET CASH FLOWS	**(9,926)**	(7,665)	2,351
Cash and cash equivalents at beginning of period	**15,058**	12,051	12,051
Effect of exchange rate fluctuations on cash held	**(948)**	965	656
Cash and cash equivalents at end of period	**4,184**	5,351	15,058

NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The principal activity of The Pebble Group plc (the "Company") is that of a holding company and the principal activity of the Company and its subsidiaries (the "Group") is the sale of digital commerce, products and related services to the promotional merchandise industry. The Group has two segments, Brand Addition and Facilisgroup. For Brand Addition this is the sale of promotional products internationally, to many of the world's best-known brands, and for Facilisgroup the provision of digital commerce, consolidated buying power and community learning and networking events to SME promotional product distributors in North America, its Partners, through subscription-based services.

The Company was incorporated on 27 September 2019 in the United Kingdom and is a public company limited by shares registered in England and Wales. The registered office of the Company is Broadway House, Trafford Wharf Road, Trafford Park, Manchester, England M17 1DD. The Company registration number is 12231361.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements of the Group are for the period ended 30 June 2023. They have been prepared on the basis of the policies set out in the 2022 annual financial statements and in accordance with UK adopted IAS 34. Financial information for the period ended 30 June 2022 included herein is derived from the condensed consolidated interim financial statements for that period.

The condensed consolidated interim financial statements have not been reviewed or audited, nor do they comprise statutory accounts for the purpose of Section 434 of the Companies Act 2006, and do not include all of the information or disclosures required in the annual financial statements and should therefore be read in conjunction with the Group's 2022 annual financial statements, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Financial information for the year ended 31 December 2022 included herein is derived from the statutory accounts for that year, which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements are presented in the Group's functional currency of Sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

Accounting Policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022 as described in the Group's Annual Report and financial statements for that year and as available on the Group's website (www.thepebblegroup.com).

Taxation

Taxes on income in the interim periods are accrued using management's best estimate of the weighted average annual tax rate that would be applicable to expected total annual earnings.

Forward looking statements

Certain statements in these condensed consolidated interim financial statements are forward looking with respect to the operations, strategy, performance, financial condition, and growth opportunities of the Group. The terms "expect", "anticipate", "should be", "will be", "is likely to", and similar expressions, identify forward-looking statements. Although the Board believes that the expectations reflected in these forward-looking statements are reasonable, by their nature these statements are based on assumptions and are subject to a number of risks and uncertainties. Actual events could differ materially from those expressed or implied by these forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, without limitation: general economic conditions and business conditions in the Group's markets, customers' expectations and behaviours, supply chain developments, technology changes, the actions of competitors, exchange rate fluctuations, and legislative, fiscal and regulatory developments. Information contained in these financial statements relating to the Group should not be relied upon as a guide to future performance.

Alternative performance measures

Throughout the condensed consolidated interim financial statements, consistent with the Annual Report, we refer to a number of alternative performance measures ("APMs"). APMs are used internally by management to monitor business performance. The APMs that are not recognised under UK-adopted international accounting standards are:

- Adjusted earnings;
- Adjusted EBTIDA;
- Adjusted operating profit; and
- Adjusted operating cash flow.

See note 6 for the reconciliation of the APMs.

The Board considers that the above APM's provide useful information for stakeholders on the underlying trends and performance of the Group and facilitate meaningful year on year comparisons.

Key risks and uncertainties

The Group has in place a structured risk management process which identifies key risks and uncertainties along with their associated mitigants. The key risks and uncertainties that could affect the Group's medium-term performance, and the factors that mitigate those risks have not substantially changed from those set out in the Group's Annual Report which can be found on the Group's website (www.thepebblegroup.com).

Going Concern statement

The Group meets its day-to-day working capital requirements through its own cash balances and committed banking facilities. In assessing the appropriateness of adopting the going concern basis in the preparation of these consolidated interim financial statements, the Directors have prepared cash flow forecasts and projections for the up to 31 December 2024.

The forecasts and projections, which the Directors consider to be prudent, have been further sensitised by applying reductions to revenue growth and margin, to consider a severe but plausible downside. Under both the base and sensitised case the Group is expected to have headroom against covenants, which are based on interest cover and net leverage, and a sufficient level of financial resources available through existing facilities when the future funding requirements of the Group are compared with the level of committed available facilities. Based on this, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the consolidated interim financial statements.

3. SEGMENTAL ANALYSIS

The Chief Operating Decision Maker has been identified as the Executive Directors. The Directors have determined that the operating segments are Brand Addition, Facilisgroup and Central Operations.

Segment information about the above businesses is presented below:

Income statement for the period ended 30 June 2023

	Brand Addition	*Facilisgroup*	*Central operations*	*Period ended 30 June 2023*
	£'000	£'000	£'000	£'000
Revenue	54,153	9,164	-	63,317
Cost of goods sold	(36,188)	-	-	(36,188)
Gross profit	**17,965**	**9,164**	**-**	**27,129**
Operating expenses	(15,300)	(7,002)	(1,508)	(23,810)
Operating profit/(loss)	**2,665**	**2,162**	**(1,508)**	**3,319**
Analysed as:				
Adjusted EBITDA	4,457	4,272	(1,249)	7,480
Depreciation	(783)	(295)	(37)	(1,115)
Amortisation	(670)	(1,554)	-	(2,224)
Share-based payment charge	(339)	(261)	(222)	(822)
Operating profit/(loss)	**2,665**	**2,162**	**(1,508)**	**3,319**
Finance expense	(176)	(22)	(68)	(266)
Profit/(loss) before taxation	**2,489**	**2,140**	**(1,576)**	**3,053**
Income tax (expense)/income	(612)	(526)	387	(751)
Profit/(loss) for the period	**1,877**	**1,614**	**(1,189)**	**2,302**

Due to the timing on the delivery of orders, the Brand Addition segment of The Pebble Group Plc traditionally raises a higher number of invoices in the period July to December which results in The Pebble Group Plc's performance being weighted to the second half of the year.

All the above revenues are generated from contracts with customers.

Income statement for the period ended 30 June 2022

	Brand Addition	*Facilisgroup*	*Central operations*	*Period ended 30 June 2022*
	£'000	£'000	£'000	£'000
Revenue	52,926	7,390	-	60,316
Cost of goods sold	(37,099)	-	-	(37,099)
Gross profit	**15,827**	**7,390**	**-**	**23,217**
Operating expenses	(13,060)	(5,729)	(1,379)	(20,168)
Operating profit/(loss)	**2,767**	**1,661**	**(1,379)**	**3,049**

Analysed as:				
Adjusted EBITDA	4,377	3,515	(1,194)	6,698
Depreciation	(825)	(291)	(18)	(1,134)
Amortisation	(518)	(1,359)	-	(1,877)
Share-based payment charge	(267)	(204)	(167)	(638)
Operating profit/(loss)	**2,767**	**1,661**	**(1,379)**	**3,049**
Finance expense	(185)	(9)	(51)	(245)
Profit/(loss) before taxation	**2,582**	**1,652**	**(1,430)**	**2,804**
Income tax (expense)/income	(620)	(396)	343	(673)
Profit/(loss) for the period	**1,962**	**1,256**	**(1,087)**	**2,131**

Income statement for the year ended 31 December 2022

	Brand Addition	*Facilisgroup*	*Central operations*	*Year ended 31 December 2022*
	£'000	£'000	£'000	£'000
Revenue	117,391	16,634	-	134,025
Cost of goods sold	(81,279)	-	-	(81,279)
Gross profit	**36,112**	**16,634**	**-**	**52,746**
Operating expenses	(28,155)	(11,624)	(2,744)	(42,543)
Operating profit/(loss)	**7,957**	**5,010**	**(2,744)**	**10,223**
Analysed as:				
Adjusted EBITDA	11,467	9,011	(2,436)	18,042
Depreciation	(1,719)	(626)	(39)	(2,384)
Amortisation	(1,232)	(2,950)	-	(4,182)
Share-based payment charge	(559)	(425)	(269)	(1,253)
Total operating profit/(loss)	**7,957**	**5,010**	**(2,744)**	**10,223**
Finance expense	(388)	(13)	(119)	(520)
Profit/(loss) before taxation	**7,569**	**4,997**	**(2,863)**	**9,703**
Income tax (expense)/income	(1,495)	(689)	94	(2,090)
Profit/(loss) for the year	**6,074**	**4,308**	**(2,769)**	**7,613**

Statement of financial position as at 30 June 2023

	Brand Addition	*Facilisgroup*	*Central operations*	*As at 30 June 2023*
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	38,095	22,258	-	60,353
Property, plant and equipment	5,744	2,750	235	8,729

Deferred tax asset	92	-	178	270
Total non-current assets	**43,931**	**25,008**	**413**	**69,352**
Current assets				
Inventories	14,788	-	-	14,788
Trade and other receivables	32,039	4,568	294	36,901
Cash and cash equivalents	2,477	1,555	152	4,184
Total current assets	**49,304**	**6,123**	**446**	**55,873**
TOTAL ASSETS	**93,235**	**31,131**	**859**	**125,225**
LIABILITIES				
Non-current liabilities				
Lease liability	4,618	2,177	-	6,795
Deferred tax liability	-	2,370	-	2,370
Total non-current liabilities	**4,618**	**4,547**	**-**	**9,165**
Current liabilities				
Lease liability	1,179	255	62	1,496
Trade and other payables	26,185	1,605	613	28,403
Current tax (asset)/liability	(56)	770	(317)	397
Total current liabilities	**27,308**	**2,630**	**358**	**30,296**
TOTAL LIABILITIES	**31,926**	**7,177**	**358**	**39,461**
NET ASSETS	**61,309**	**23,954**	**501**	**85,764**

Statement of financial position as at 30 June 2022

	Brand Addition	*Facilisgroup*	*Central operations*	*As at 30 June 2022*
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	37,840	20,925	-	58,765
Property, plant and equipment	6,903	3,231	60	10,194
Deferred tax asset	213	115	67	395
Total non-current assets	**44,956**	**24,271**	**127**	**69,354**
Current assets				
Inventories	16,081	-	-	16,081
Trade and other receivables	34,813	3,769	5	38,587
Cash and cash equivalents	2,905	2,219	227	5,351
Total current assets	**53,799**	**5,988**	**232**	**60,019**
TOTAL ASSETS	**98,755**	**30,259**	**359**	**129,373**
LIABILITIES				
Non-current liabilities				
Lease liability	5,676	2,447	62	8,185
Deferred tax liability	-	3,751	-	3,751
Total non-current liabilities	**5,676**	**6,198**	**62**	**11,936**
Current liabilities				
Borrowings	5,500	-	-	5,500
Lease liability	1,252	339	21	1,612
Trade and other payables	27,233	2,665	587	30,485
Current tax liability	393	18	(242)	169
Total current liabilities	**34,378**	**3,022**	**366**	**37,766**

TOTAL LIABILITIES	**40,054**	**9,220**	**428**	**49,702**
NET ASSETS	**58,701**	**21,039**	**(69)**	**79,671**

Statement of financial position as at 31 December 2022

	Brand Addition	*Facilisgroup*	*Central operations*	*As at 31 December 2022*
	£'000	£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets	37,863	22,139	-	60,002
Property, plant and equipment	6,449	3,004	39	9,492
Deferred tax asset	137	-	155	292
Total non-current assets	**44,449**	**25,143**	**194**	**69,786**
Current assets				
Inventories	15,447	-	-	15,447
Trade and other receivables	29,989	4,648	56	34,693
Cash and cash equivalents	12,655	2,265	138	15,058
Total current assets	**58,091**	**6,913**	**194**	**65,198**
TOTAL ASSETS	**102,540**	**32,056**	**388**	**134,984**
LIABILITIES				
Non-current liabilities				
Lease liability	5,148	2,315	27	7,490
Deferred tax liability	-	2,860	-	2,860
Total non-current liabilities	**5,148**	**5,175**	**27**	**10,350**
Current liabilities				
Lease liability	1,221	303	45	1,569
Trade and other payables	33,543	2,075	795	36,413
Current tax liability	258	805	-	1,063
Total current liabilities	**35,022**	**3,183**	**840**	**39,045**
TOTAL LIABILITIES	**40,170**	**8,358**	**867**	**49,395**
NET ASSETS/(LIABILITIES)	**62,370**	**23,698**	**(479)**	**85,589**

4. INCOME TAX EXPENSE

The income tax expense for the period ended 30 June 2023 is based upon management's best estimate of the weighted average annual tax rate expected for the full year ending 31 December 2023. The income tax expense is higher than the standard rate of 23.5% due to higher standard income tax rates in overseas territories. The income tax expense for the year ended 31 December 2022 was higher than the standard rate of 19% due to higher standard income tax rates in overseas territories.

5. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. The Company has potentially dilutive ordinary shares arising from share options granted to employees. Options are dilutive under the Group Sharesave Plan (SAYE), where the exercise price together with the future IFRS 2 charge of the option is less than the average market price of the Company's ordinary shares during the period. Options under the LTIP schemes, as defined by IFRS 2, are contingently issuable shares and are therefore only included within the calculation of diluted EPS if the performance conditions are satisfied at the end of the reporting period, irrespective of whether this is the end of the vesting period or not.

The impact on basic earnings per share of the potentially dilutive share options issued under The Pebble Group Plc Long Term Incentive Plan on 21 December 2020, 8 June 2021, 29 March 2022 and 28 March 2023 and Group Sharesave Plan (SAYE) on 6 October 2021 and 25 April 2023 is £nil for the periods ended 30 June 2023 and 30 June 2022.

The calculation of basic earnings per share is based on the following data:

Statutory EPS

	Unaudited Period ended 30 June 2023	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
Earnings (£'000)			
Earnings for the purposes of basic and diluted earnings per shar			
being profit for the period attributable to equity shareholders	**2,302**	2,131	7,613
Number of shares			
Weighted average number of shares for the purposes of basic earnings per share	**167,450,893**	167,450,893	167,450,893
Weighted average dilutive effects of conditional share awards	**600,871**	-	185,624
Weighted average number of shares for the purposes of diluted earnings per share	**168,051,764**	167,450,893	167,636,517
Earnings per ordinary share (pence)			
Basic earnings per ordinary share (pence)	**1.37**	1.27	4.55
Diluted earnings per ordinary share (pence)	**1.37**	1.27	4.54

Adjusted EPS

The calculation of adjusted earnings per share is based on the after-tax adjusted profit after adding back certain costs as detailed in the table in note 6. Adjusted earnings per share figures are given to exclude the effects of amortisation of acquired intangible assets, share-based payment charge and exceptional items, all net of taxation, and are considered to show the underlying performance of the Group.

	Unaudited Period ended 30 June 2023	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
Earnings (£'000)			
Earnings for the purposes of basic and diluted earnings per share being adjusted earnings	**3,479**	3,153	9,675
Number of shares			
Weighted average number of shares for the purposes of adjusted earnings per share	**167,450,893**	167,450,893	167,450,893
Weighted average dilutive effects of conditional share awards	**600,871**	-	185,624

Weighted average number of shares for the purposes of diluted earnings per share	**168,051,764**	167,450,893	167,636,517
Adjusted earnings per ordinary share (pence)			
Basic adjusted earnings per ordinary share (pence)	**2.08**	1.88	5.78
Diluted adjusted earnings per ordinary share (pence)	**2.07**	1.88	5.77

See note 6 for the reconciliation of adjusted earnings.

6. ALTERNATIVE PERFORMANCE MEASURES (APMs)

Throughout the consolidated interim financial statements, we refer to a number of APMs. A reconciliation of the APMs used are shown below:

Adjusted earnings:	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Profit for the period	**2,302**	2,131	7,613
Add back/(deduct):			
Amortisation charge on acquired intangible assets	**709**	677	1,420
Share-based payment charge	**822**	638	1,253
Tax effect of the above	**(354)**	(293)	(611)
Adjusted earnings	**3,479**	3,153	9,675

Adjusted EBTIDA:	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Operating profit	**3,319**	3,049	10,223
Add back:			
Depreciation	**1,115**	1,134	2,384
Amortisation	**2,224**	1,877	4,182
Share-based payment charge	**822**	638	1,253
Adjusted EBITDA	**7,480**	6,698	18,042

Adjusted operating profit:	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Operating profit	**3,319**	3,049	10,223
Add back:			
Amortisation charge on acquired intangible assets	**709**	677	1,420
Share-based payment charge	**822**	638	1,253
Adjusted operating profit	**4,850**	4,364	12,896

Adjusted operating cash flow:	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Adjusted EBITDA	**7,480**	6,698	18,042
Deduct:			
Movement in working capital	**(9,638)**	(14,815)	(3,362)
Capital expenditure	**(4,036)**	(3,548)	(8,379)
Leases	**(919)**	(929)	(1,737)
Adjusted operating cash flow	**(7,113)**	(12,594)	4,564

7. INTANGIBLE ASSETS

	Goodwill	Customer relationships	Software and Development costs	Work in progress	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
Balance at 31 December 2021	**35,805**	**10,241**	**21,321**	**423**	**67,790**
FX difference on translation	312	1,014	1,207	38	2,571
Additions	-	-	2,189	827	3,016
Disposals	-	-	(15)	-	(15)
Balance at 30 June 2022	**36,117**	**11,255**	**24,702**	**1,288**	**73,362**
FX difference on translation	22	67	436	1	526
Additions	-	-	158	3,288	3,446
Disposals	-	-	(911)	-	(911)
Reclassifications	-	-	492	(492)	-
Balance at 31 December 2022	**36,139**	**11,322**	**24,877**	**4,085**	**76,423**
FX difference on translation	(168)	(530)	(655)	(188)	(1,541)
Additions	-	-	401	3,286	3,687
Reclassifications	-	-	3,644	(3,644)	-
Balance at 30 June 2023	**35,971**	**10,792**	**28,267**	**3,539**	**78,569**
Accumulated amortisation					
Balance at 31 December 2021	**-**	**1,647**	**10,469**	**-**	**12,116**
FX difference on translation	-	166	453	-	619
Charge for the period	-	265	1,612	-	1,877
Disposals	-	-	(15)	-	(15)
Balance at 30 June 2022	**-**	**2,078**	**12,519**	**-**	**14,597**
FX difference on translation	-	5	425	-	430
Charge for the period	-	289	2,016	-	2,305
Disposals	-	-	(911)	-	(911)
Balance at 31 December 2022	**-**	**2,372**	**14,049**	**-**	**16,421**
FX difference on translation	-	(113)	(316)	-	(429)
Charge for the period	-	277	1,947	-	2,224
Balance at 30 June 2023	**-**	**2,536**	**15,680**	**-**	**18,216**

Net book value					
At 31 December 2021	35,805	8,594	10,852	423	55,674
At 30 June 2022	36,117	9,177	12,183	1,288	58,765
At 31 December 2022	36,139	8,950	10,828	4,085	60,002
At 30 June 2023	**35,971**	**8,256**	**12,587**	**3,539**	**60,353**

The Group tests annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings	Computer hardware	Right-of-use Assets	**Total**
	£'000	£'000	£'000	**£'000**
Cost				
Balance at 31 December 2021	**3,892**	**3,226**	**12,784**	**19,902**
Impact of foreign exchange translation	208	101	758	**1,067**
Additions	114	330	2,388	**2,832**
Disposals	-	(69)	(1,713)	**(1,782)**
Balance at 30 June 2022	**4,214**	**3,588**	**14,217**	**22,019**
Impact of foreign exchange translation	8	45	25	**78**
Additions	213	288	83	**584**
Disposals	(880)	(1,250)	(527)	**(2,657)**
Balance at 31 December 2022	**3,555**	**2,671**	**13,798**	**20,024**
Impact of foreign exchange translation	(115)	(77)	(624)	**(816)**
Additions	194	145	472	**811**
Disposals	-	(7)	(345)	**(352)**
Balance at 30 June 2023	**3,634**	**2,732**	**13,301**	**19,667**
Accumulated depreciation				
Balance at 31 December 2021	**3,133**	**2,323**	**6,519**	**11,975**
Impact of foreign exchange translation	148	31	319	**498**
Charge for the period	107	216	811	**1,134**
Disposals	-	(69)	(1,713)	**(1,782)**
Balance at 30 June 2022	**3,388**	**2,501**	**5,936**	**11,825**
Impact of foreign exchange translation	6	67	20	**93**
Charge for the period	126	235	889	**1,250**
Disposals	(880)	(1,231)	(525)	**(2,636)**
Balance at 31 December 2022	**2,640**	**1,572**	**6,320**	**10,532**
Impact of foreign exchange translation	(92)	(48)	(220)	**(360)**
Charge for the period	245	205	665	**1,115**
Disposals	-	(4)	(345)	**(349)**
Balance at 30 June 2023	**2,793**	**1,725**	**6,420**	**10,938**
Net book value				
Balance at 31 December 2021	759	903	6,265	7,927
Balance at 30 June 2022	826	1,087	8,281	10,194
Balance at 31 December 2022	915	1,099	7,478	9,492
Balance at 30 June 2023	**841**	**1,007**	**6,881**	**8,729**

Right-of-use Assets - net book value	***Unaudited Period ended***	*Unaudited Period ended*	*Audited Year ended*

	30 June 2023	*30 June 2022*	*31 December 2022*
	£'000	£'000	£'000
Leasehold property	**6,655**	8,118	7,362
Fixtures and fittings	**43**	127	87
Computer hardware	**183**	36	29
	6,881	8,281	7,478

9. LEASES

Amounts recognised in the consolidated statement of financial position

In addition to the right-of-use assets included within note 8, the consolidated statement of financial position shows the following amounts relating to leases:

Lease liabilities	***Unaudited Period ended 30 June 2023***	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Maturity analysis - contractual undiscounted cash flows:			
Less than one year	**1,912**	2,063	1,897
More than one year, less than two years	**1,688**	1,873	1,726
More than two years, less than three years	**1,684**	1,633	1,627
More than three years, less than four years	**1,465**	1,637	1,624
More than four years, less than five years	**1,019**	1,418	1,091
More than five years	**1,611**	2,685	2,207
Total undiscounted lease liabilities at period end	**9,379**	11,309	10,172
Finance costs	**(1,088)**	(1,512)	(1,113)
Total discounted lease liabilities at period end	**8,291**	9,797	9,059
Lease liabilities included in the statement of financial position:			
Current	**1,496**	1,612	1,569
Non-current	**6,795**	8,185	7,490
	8,291	9,797	9,059

Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Unaudited Period ended 30 June 2023	*Unaudited Period ended 30 June 2022*	*Audited Year ended 31 December 2022*
	£'000	£'000	£'000
Depreciation charge - fixtures and fittings	**644**	788	1,655
Depreciation charge - computer hardware	**21**	23	45
	665	811	1,700
Interest expense (within finance expense)	**199**	213	374

10. FINANCIAL INSTRUMENTS

The fair values of all financial instruments included in the consolidated statement of financial position are a reasonable approximation of their carrying values.

11. SHARE-BASED PAYMENTS

The Group operates equity-settled share-based payment plans for certain employees of the Group under The Pebble Group Plc Long-Term Incentive Plan (the 'LTIP') and The Pebble Group Plc Group Sharesave Plan (the 'SAYE').

On 28th March 2023, under the LTIP, the Group made awards of 1,655,496 conditional shares to certain Directors and employees. On 25th April 2023, under the SAYE, the Group granted awards of 417,932 conditional shares.

The Group recognised total expenses of £822,000 (period ending 30 June 2022: £638,000) in respect of equity-settled share-based payment transactions for the period ended 30 June 2023.