The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

14 September 2021

TP Group plc
(“TP Group” or the “Company” or the “Group”)

Unaudited interim results for the six months ended 30 June 2021

TP Group (AIM: TPG) today announces its unaudited interim results for the six months ended 30 June 2021.

TP Group overall delivered a much improved performance in a difficult market and is well positioned to deliver good growth that will increase shareholder value. UK Consulting grew revenues and margins. Our recent acquisition of Osprey Consulting Ltd (”Osprey”) delivered an excellent performance despite COVID-19 (“C-19”) shutting down a large part of the aviation market. TPG Maritime’s profits increased. Central costs were historically too high and have since been reduced by £1m per annum, the benefit of which will fall straight to the bottom line. Looking forward we are confident of good growth within the UK Consulting market and across Europe.

H1 Performance Summary

- Revenue up 23% to £33.8m (H1 2020: £27.5m)
- Adjusted operating profit[1] up 23% to £1.7m (H1 2020: £1.4m)
- Operating loss increased to £1.9m (H1 2020: £1.7m loss) due to the £0.5m termination cost of the former CEO
- Closing order book £60.9m (31 December 2020: £69.3m) - provides strong H2 2021 revenue visibility with more than 90% of full year market forecast revenues covered
- Net debt of £3.5m (31 December 2020 net cash: £0.4m) – cash performance is tracking in line with expectations and is well within banking covenants

David Lindsay, Chief Executive Officer of TP Group, commented:

“TP Group will significantly increase shareholder value by focussing on Aerospace & Defence clients that place great trust in our excellent people, expert technical knowledge and secure processes & systems.

“TP Group has successfully grown its UK Consulting business despite the C-19 pandemic and aims to replicate this success across Europe using Sapienza as an important stepping stone.

“I have already streamlined our management structure and reduced our central costs by £1m per annum that will directly benefit the bottom line in 2022. We will also improve profitability by increasing knowledge transfer, resource sharing and use of common systems across our businesses.

“I am very optimistic about TP Group’s future because we have great people and operate in good markets where important clients value our services highly.”

1. Adjusted operating profit is defined as operating result adjusted to add back depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment gains or losses on non-current assets, changes in fair value of contingent consideration, acquisition consideration accounted for as employment costs owing to on-going service conditions, any

other acquisition-related and disposal-related charges, share based payment charges, and non-operating costs. Non-operating costs are those items believed to be exceptional in nature by virtue of their size and or incidence. The directors of the Company believe this measure is more reflective of the underlying performance of the Group than equivalent GAAP measures. This is primarily due to the exclusion of non-cash items, such as share-based payments, impairment, depreciation and amortisation, as well as acquisition and non-operating costs. This provides shareholders and other users of the financial statements with the most representative year-on-year comparison of underlying operating performance attributable to shareholders. This measure and the separate components remain consistent with 2020.

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Business Review

Introduction

TP Group overall delivered a much improved result with revenue and adjusted operating profit both up by 23% despite the difficult market that was severely impacted by the C-19 pandemic.

Consulting:

- The Osprey acquisition in August 2020 has strengthened Consulting, adding both specialist safety assurance capability and aviation market access. Osprey's performance improved thanks to its entry into the space, drone and digital technology markets and despite the devastating impact of C-19 on the civil aviation sector.
- Our established UK Consulting business saw strong organic growth in its core defence markets.
- In Europe, Sapienza also delivered good organic growth in consultancy from existing customers, with both revenues and profits up.

Engineering:

- TPG Maritime's profits increased despite delays in new contract awards and cost overruns in European contracts that are now addressed, and we are confident that the business has a good future.
- Westek disappointed due to product design difficulties and delayed order intake. We are currently reviewing how best to realise value from this business.

Northstar/Optimiser, our artificial intelligence software suite continues to offer the potential of profitable growth but has not, to date, generated significant revenues. We are currently reviewing the costs and potential benefits of this activity and how they can best be monetised.

Central costs were too high and action has already been taken to address this by the Company's new CEO, who joined post period end.

Financial summary

Group revenue increased 23% to £33.8m (H1 2020: £27.5m):

- Consulting increased revenues by £4.6m (31%) to £19.7m. Excluding the contribution from Osprey of £2.5m, revenue grew organically by £2.1m (14%);
- Revenues in Software and Digital Solutions decreased by £0.2m to £0.5m; and
- Engineering grew organically overall by £1.8m (16%) to £13.6m, with growth in TPG Maritime of £2.3m being partially offset by a reduction in Westek revenues of £0.5m.

The Group's gross profit margin remained consistent at 24% year on year:

- The Consulting margin increased to 24% from 21%, principally arising from Osprey which has taken the Group into higher margin markets and activities;
- Margins in Digital Solutions remained broadly constant year on year; and
- Margins in Engineering reduced to 24% from 29% as a result of execution and delivery issues in key overseas projects as noted above. These costs are not expected to repeat in 2022 and margins are expected to improve as a result.

Operating expenses increased from £8.4m to £10.0m in the period. The key drivers include:

- The acquisition of Osprey which added £0.6m;
- Investment of £0.2m into the European consulting business to drive future business performance;
- Investment of £0.2m to support development of UK Software and Hydrogen activities;

- An increase in depreciation and amortisation charges of £0.2m following the acquisition of Osprey; and
- Non-operating restructuring costs of £0.5m (H1 2020: £0.3m) due to the departure of the previous CEO.

The Group's H1 2021 £1.9m (H1 2020: £1.7m loss) operating loss includes the £0.5m termination cost for the former CEO.

Adjusted operating profit rose by 23% to £1.7m (H1 2020: £1.4m). The £0.3m improvement in adjusted operating profit was driven by a £1.4m increase in gross profit partially offset by an increase in operating expenses of £1.1m.

	H1 2021 £m	**H1 2020** £m
Operating loss	**(1.9)**	**(1.7)**
Depreciation, amortisation and impairment	2.3	2.0
Acquisition and disposal-related costs	0.1	0.2
Non-operating costs	0.5	0.3
Earn-out payments	0.6	0.5
Share-based payments	-	0.1
Adjusted operating profit	**1.7**	**1.4**

Earn-out payments relate to the acquisition of Osprey.

The Group's net debt position as at 30 June 2021 was £3.5m (31 December 2020 net cash of £0.4m). Cash performance is tracking in line with market expectations, providing sufficient liquidity and bank covenant compliance.

Group order intake of £25.5m was £7.9m lower than that secured in the same period last year (H1 2020: £33.4m). Included in the 2020 figures, however, was the renewal of the 2½ year European Space Agency ('ESA') agreement which contributed c. €18.0m (c. £16.0m) to H1 2020 order intake. Excluding this, order intake across both the Consulting and Engineering business streams was up on the prior period.

The closing order book reduced by £8.4m to £60.9m from the 2020 year-end position of £69.3m because of the timing of multi-year contracts won in prior years, including ESA as noted above. The current order book provides 95% coverage of market revenue expectations for the 2021 financial year.

Post period-end

David Lindsay was appointed as the Company's permanent CEO on 26 July 2021.

Following his in-depth review of the business, David has identified a number of measures which will immediately improve the business and provide an initial upgrade in the market forecasts for 2022 to £6.1m adjusted Operating Profit. He sees a number of opportunities to further improve performance.

The Company was the subject of a speculative takeover approach by Science Group in August, which the Board regarded as opportunistic and seeking to capitalise on the short-term impact suffered by TP Group as a result, primarily, of the C-19 pandemic. No formal offer was made by Science Group, and they withdrew interest in making an offer for the Company on 3 September 2021.

During the past several weeks, Science Group has acquired more than 27% of the shares of the Company and, despite the possible offer for the Company being withdrawn, has requested that the business call a General Meeting proposing that two of the current Non-Executive Directors, Andrew McCree and Jeremy Warner-Allen, are replaced by two of Science Group's directors Martyn Ratcliffe (Executive Chairman and CEO of Science Group) and Peter Bertram (non-executive Director of Science Group). The General Meeting has been convened for 1 October 2021. The Board is vehemently challenging the resolutions proposed by Science Group and further details can be found in the circular posted to shareholders on 6 September 2021 and which is available on the Company's website.

Market outlook

Our UK Consulting business is well established in the defence market, and we expect to see growth in its recurring revenues through the frameworks agreements already in place.

Osprey will grow as airports and the aviation market generally returns to normal operations as the C-19 impact subsides. Osprey will also benefit from its entry into adjacent markets such as spaceports.

Sapienza will continue to benefit from recurring revenues from ESA. Sapienza will also serve as a stepping stone as we explore transferring skills and services across Europe to target the aerospace and defence markets. Sapienza's offices in France, Germany, Italy, Netherlands and North Macedonia offer potential in-country bases.

TPG Maritime is expected to perform well in FY22 with an established submarine order book and potential opportunities within the hydrogen market.

David Lindsay
14 September 2021

Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020[1,2] (unaudited)	Year ended 31 December 2020[1] (audited)
	£'000	£'000	£'000
Revenue from continuing operations	33,772	27,520	59,045
Cost of sales	(25,702)	(20,897)	(43,368)
Gross profit from continuing operations	8,070	6,623	15,677
Administrative expenses	(9,976)	(8,362)	(20,518)
Operating loss from continuing operations	(1,906)	(1,739)	(4,841)
Net finance costs	(145)	(84)	(337)
Loss before taxation from continuing operations	(2,051)	(1,823)	(5,178)
Taxation credit	243	249	196
Loss for the period from continuing operations	(1,808)	(1,574)	(4,982)
Loss for the period from discontinued operations (attributable to equity holders of the company)	-	(2,833)	(5,017)
Loss for the period	(1,808)	(4,407)	(9,999)
Attributable to:			
Equity holders of the parent company	(1,808)	(4,386)	(9,999)
Non-controlling interest	-	(21)	-
Total loss for the period	(1,808)	(4,407)	(9,999)
Other comprehensive income/(expense) for the period:			
Loss for the period	(1,808)	(4,407)	(9,999)
Foreign exchange gains / (losses) on translation of foreign operations	65	(40)	427
Total comprehensive expense for the period	(1,743)	(4,447)	(9,572)
Attributable to:			
Equity holders of the parent company	(1,743)	(4,426)	(9,572)
Non-controlling interest	-	(21)	-
	(1,743)	(4,447)	(9,572)
Earnings per share:			
Loss per share (pence per share)			
Continuing operations:			
Basic and diluted loss per share (pence per share)	(0.23)	(0.21)	(0.64)
Discontinued operations:			
Basic and diluted loss per share (pence per share)	-	(0.36)	(0.64)
Total:			
Basic and diluted loss per share (pence per share)	(0.23)	(0.57)	(1.28)

1 The comparative condensed statements of comprehensive income have been presented to reflect continuing operations and exclude the results of TPG Engineering Limited which was disposed of on 29 October 2020. The comparative results for TPG Engineering Limited are presented above as 'Loss for the period from discontinued operations'.

2 A reclassification between Cost of Sales and Administrative expenses of £172,000 has been made for the six months to 30 June 2020 to reflect gross profit on a consistent basis.

Condensed consolidated statement of financial position

	30 June 2021[1] (unaudited)	30 June 2020[1] (unaudited)	31 December 2020 (audited)
	£'000	£'000	£'000
Assets			
Non-current assets			
Goodwill	8,091	8,560	8,091
Other intangible assets	18,521	18,209	19,633
Property, plant and equipment	920	1,056	962
Right-of-use assets	3,471	4,064	3,841
	31,003	31,889	32,527
Current assets			
Inventories	1,820	1,515	1,417
Trade and other receivables	10,469	7,090	10,268
Amounts due from contract customers	12,378	5,962	9,388
Taxation recoverable	143	-	239
Cash and bank balances	3,480	13,802	7,372
	28,290	28,369	28,684
Assets held for sale[1]	-	6,673	-
	28,290	35,042	28,684
Total assets	59,293	66,931	61,211
Liabilities			
Current liabilities			
Trade and other payables	(14,434)	(9,911)	(13,925)
Amounts due to contract customers	(5,310)	(3,017)	(5,351)
Current tax liabilities	-	(108)	-
Lease liabilities	(619)	(957)	(609)
	(20,363)	(13,993)	(19,885)
Liabilities held for sale[1]	-	(6,673)	-
	(20,363)	(20,666)	(19,885)
Non-current liabilities			
Trade and other payables	-	(512)	-
Deferred taxation	(2,766)	(2,514)	(3,001)
Lease liabilities	(3,657)	(3,922)	(4,079)
Borrowings	(7,000)	(7,000)	(7,000)
Provisions	(223)	(183)	(254)
	(13,646)	(14,131)	(14,334)
Total liabilities	(34,009)	(34,797)	(34,219)
Net assets	25,284	32,134	26,992
Equity			
Share capital	7,792	7,792	7,792
Share premium	18,529	18,529	18,529
Own shares held by EBT	(561)	(561)	(561)
Translation of foreign operations	475	(44)	415
Share-based payments reserve	720	1,257	685
Retained earnings	(1,672)	4,754	131
Total equity due to shareholders	25,283	31,727	26,991
Non-controlling interest	1	407	1
Total equity	25,284	32,134	26,992

[1] The comparative Statement of Financial Position shows current assets and liabilities held for sale due to the planned disposal of TPG Engineering which was ultimately completed on 29 October 2020.

Condensed consolidated statement of changes in equity

	Share capital	Share premium	Own shares held by EBT	Share-based payments reserve	Translation reserve	Retained earnings	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2021	7,792	18,529	(561)	685	415	131	1	26,992
Loss for the period	-	-	-	-	-	(1,808)	-	(1,808)
Other comprehensive profit	-	-	-	-	65	-	-	65
Total comprehensive loss	-	-	-	-	65	(1,808)	-	(1,743)
Share-based payments charge	-	-	-	35	-	-	-	35
Forex movement	-	-	-	-	(5)	5	-	-
Balance at 30 June 2021	7,792	18,529	(561)	720	475	(1,672)	1	25,284
Balance at 1 January 2020	7,792	18,529	(561)	1,142	(4)	9,140	428	36,466
Loss for the period	-	-	-	-	-	(4,386)	(21)	(4,407)
Other comprehensive loss	-	-	-	-	(40)	-	-	(40)
Total comprehensive loss	-	-	-	-	(40)	(4,386)	(21)	(4,447)
Share-based payments charge	-	-	-	115	-	-	-	115
Balance at 30 June 2020	7,792	18,529	(561)	1,257	(44)	4,754	407	32,134
Balance at 1 January 2020	7,792	18,529	(561)	1,142	(4)	9,140	428	36,466
Loss for the year	-	-	-	-	-	(9,999)	-	(9,999)
Other comprehensive loss	-	-	-	-	427	-	-	427
Total comprehensive loss	-	-	-	-	427	(9,999)	-	(9,572)
Share-based payments charge	-	-	-	98	-	-	-	98
Share-based payments reserves transfer	-	-	-	(555)	-	555	-	-
Forex movement	-	-	-	-	(8)	8	-	-
Non-controlling interest transfer on acquisition of 100% ownership of Lift BV	-	-	-	-	-	427	(427)	-
Balance at 31 December 2020	7,792	18,529	(561)	685	415	131	1	26,992

Condensed consolidated statement of cash flows

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
	£'000	£'000	£'000
Operating activities			
Loss before income tax from continuing operations	(2,051)	(1,823)	(5,178)
Loss before income tax from discontinued operations	-	(2,933)	(5,144)
Total loss before taxation	(2,051)	(4,756)	(10,322)
Adjustments for:			
Depreciation, amortisation and impairment	2,260	2,296	5,563
Finance cost	145	112	416
Share-based payment expense	35	115	98
Impairment loss on available-for-sale assets	-	2,044	2,721
Loss on disposal of subsidiary	-	-	596
(Increase) / decrease in inventories	(404)	2,067	483
(Increase) / decrease in trade and other receivables	(3,190)	3,786	(1,423)
Increase / (decrease) in trade and other payables	581	(3,148)	2,017
(Decrease) / increase in provisions	(31)	-	73
	(2,655)	2,516	222
Income tax received / (paid)	103	(15)	189
Net cash (used in) / generated from operating activities	(2,552)	2,501	411
Investing activities			
Purchase of property, plant and equipment	(143)	(498)	(781)
Purchase of intangible fixed assets	(529)	(319)	(1,562)
Acquisition of subsidiary, net of cash acquired	-	-	(2,000)
Acquisition of subsidiary – payment of earn-out	(35)	(877)	-
Disposal of subsidiary, net of cash disposed of	-	-	(349)
Net cash used in investing activities	(707)	(1,694)	(4,692)
Financing activities			
New borrowings	-	7,000	7,000
Interest payable	(146)	(107)	(313)
Repayment of lease liabilities	(493)	(465)	(1,622)
Net cash (used in) / generated from financing activities	(639)	6,428	5,065
Effect of exchange rates on cash and cash equivalents	6	(1)	20
Net (decrease) / increase in cash and cash equivalents	(3,892)	7,234	804
Cash and cash equivalents at the beginning of the period	7,372	6,568	6,568
Cash and cash equivalents at the end of the period	3,480	13,802	7,372
Net increase in cash and cash equivalents for discontinued operations	-	41	-

Notes to the condensed set of unaudited interim financial statements

1. General information

TP Group is a consulting, software and technologies business, working to make the world a safer place, employing more than 400 highly skilled individuals across six European countries. We combine to deliver mission, business and safety critical services and solutions across three high growth sectors – Defence, Space and Energy.

Our customers trust us to ensure the safety, reliability and performance of complex systems in the most challenging or arduous situations. With global presence and proven field experience, TP Group is a leading choice for platform builders, integrators and users of both military and industrial systems.

The Group currently reports as three complementary value streams:

- **Atmosphere Management Systems ('Engineering')** - life support systems and specialist electronics in critical workspaces,
- **Consulting** – specialist services to enable our clients to transform their enterprise and evolve their systems and services, and
- **Software and Digital Solutions** – solving complex problems in dynamic and changing environments with AI and software tools.

This structure allows us to be clearer in the nature of our offerings to support customers through the full lifecycle of their projects or programmes. Our consultants can support initial planning, justification and project management whilst specialist teams can deliver software or equipment as required.

TP Group plc (the 'Company') is the Group's ultimate parent company, is incorporated under the Companies Act and domiciled in the United Kingdom. The address of the registered office of the Company is Cody Technology Park, Old Ively Road, Farnborough, Hampshire, GU14 0LX. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange.

2. Basis of preparation

The financial information for the six months ended 30 June 2021 presented in these unaudited condensed consolidated interim financial statements (the 'interim report') has been prepared under the historical cost convention using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union and is presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest thousand, unless otherwise stated.

While the financial figures included in the interim report have been computed in accordance with IFRS applicable to interim periods, the report does not contain sufficient information to constitute interim financial statements as defined by International Accounting Standard 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union (the 'EU').

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2020, prepared under IFRS as adopted by the EU, have been delivered to the Registrar of Companies. The auditor's report on the 2020 financial statements was unqualified, did not contain a statement under Section 498(2) or Section 498(3) of the Companies Act 2006 but did draw attention to a material uncertainty related to going concern. The audit opinion was not modified in respect of this matter.

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors on 13 September 2021.

Going concern

The Directors have reviewed the Group's cash position, trading outlook and projections for a period of 12 months from the date of approving these unaudited interim consolidated financial statements. The Group has positive cash resources and has met, and is projecting to continue to meet, all its banking covenants. The Group is performing in line with market expectations and management projects that there is no requirement for further funding from its facility provider to support working capital.

Accordingly, the Directors are of the opinion that there are reasonable grounds to believe that operational and financial projections are achievable and have a reasonable expectation that the Group will have adequate resources to meet its obligations as and when they fall due for the foreseeable future. The Directors are satisfied that it is appropriate to prepare these unaudited interim consolidated financial statements for the Group on a going concern basis.

The Directors made specific statements in the Company's 2020 Annual Report concerning going concern. The Company's auditor drew attention to the Directors disclosure of a material uncertainty related to going concern and issued an unqualified audit opinion on the 2020 consolidated Group financial statements.

Accounting policies

The accounting policies adopted by the Group in these unaudited consolidated interim financial statements are consistent with those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2020.

The following Standards and Interpretations are effective. Application of these standards has no material impact on the results of the Group:

- Amendments to the following standards:
  - IFRS 16: Covid-19 Related Rent Concessions (Amendment), effective 1 June 2020
  - IFRS 9, IAS 39. IFRS 4, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform (Amendment) – Phase 2, effective 1 January 2021
- Amendments to References to the Conceptual Framework in IFRS Standards

Notes to the condensed set of unaudited interim financial statements (continued)

3. Segmental reporting

The following is an analysis of the Group's revenue and results from the continuing operations by reportable segment.

	Engineering	Consulting	Software Digital Solutions	Central unallocated costs[2]	Group
	£'000	£'000	£'000	£'000	£'000
Six months ended 30 June 2021					
Revenue[1]	13,612	19,678	482	-	33,772
Operating profit / (loss)	618	104	(404)	(2,224)	(1,906)
Depreciation, amortisation and impairment	813	1,237	75	135	2,260
Acquisition and disposal related costs	-	-	-	140	140
Non-operating costs	-	-	-	531	531
Share based payments	-	-	-	35	35
Movement in expected earn-out payments	-	-	-	631	631
Adjusted operating profit / (loss) including non-controlling interest	**1,431**	**1,341**	**(329)**	**(752)**	**1,691**
Non-controlling interest	-	-	-	-	-
Adjusted operating profit / (loss)[3]	1,431	1,341	(329)	(752)	1,691
Six months ended 30 June 2020[4]					
Revenue	11,777	15,059	684	-	27,520
Operating profit / (loss)	733	(402)	(312)	(1,758)	(1,739)
Depreciation, amortisation and impairment	753	1,098	52	134	2,037
Acquisition and disposal related costs	-	-	-	150	150
Non-operating costs	17	118	-	136	271
Share based payments	-	-	-	115	115
Movement in expected earn-out payments	-	-	-	525	525
Adjusted operating profit / (loss) including non-controlling interest	**1,503**	**814**	**(260)**	**(698)**	**1,359**
Non-controlling interest	-	21	-	-	21
Adjusted operating profit / (loss)[3]	1,503	835	(260)	(698)	1,380
Year ended 31 December 2020[2]					
Revenue	24,021	33,100	1,924	-	59,045
Operating profit / (loss)	1,761	(3,135)	2	(3,469)	(4,841)
Depreciation, amortisation and impairment	1,553	3,692	75	396	5,716
Acquisition and disposal related costs	-	-	-	1,035	1,035
Non-operating costs	104	792	-	209	1,105
Share based payments	-	-	-	98	98
Movement in expected earn-out payments	-	-	-	479	479
Lift BV discontinued business	-	132	-	-	132
Adjusted operating profit / (loss) including non-controlling interest	3,418	1,481	77	(1,252)	3,724
Non-controlling interest	-	-	-	-	-
Adjusted operating profit / (loss)[4]	3,418	1,481	77	(1,252)	3,724

Notes to the condensed set of unaudited interim financial statements (continued)

3. Segmental reporting (continued)

[1] Revenue generated in the Digital Solutions segment to 30 June 2021 is lower than reported for the period to 30 June 2020 due to the discontinuation of the Lift BV business previously disclosed here.

[2] Central unallocated costs are specific costs associated with the Group's AIM listing and other Group operational costs that are not charged out to the operating companies.

[3] Adjusted operating profit is defined as operating result adjusted to add back depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment gains or losses on non-current assets, changes in fair value of contingent consideration, acquisition consideration accounted for as employment costs owing to on-going service conditions, any other acquisition-related and disposal-related charges, share based payment charges, and non-operating costs. Non-operating costs are those items believed to be exceptional in nature by virtue of their size and or incidence. The directors of the Company believe this measure is more reflective of the underlying performance of the Group than equivalent GAAP measures. This is primarily due to the exclusion of non-cash items, such as share-based payments, impairment, depreciation and amortisation, as well as acquisition and non-operating costs. This provides shareholders and other users of the financial statements with the most representative year-on-year comparison of underlying operating performance attributable to shareholders. This measure and the separate components remain consistent with 2020.

[4] The comparative segment for the six months to 30 June 2020 has been restated to present the segments in line with the financial statements to 31 December 2020.

4. Loss per share

The calculation of the basic loss per share is based on the loss after tax for the period divided by the weighted average number of shares in issue during the period as follows:

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
	Number of shares	Number of shares	Number of shares
Weighted average shares in issue	779,178,719	779,178,719	779,178,719

The weighted average number of shares in issue has been reduced by deducting the weighted average number of shares held by the Employee Benefit Trust of 1,606,769 shares (six months ended 30 June 2020 and year ended 31 December 2020: 1,606,769 shares).

The issue of additional shares on exercise of employee share options would decrease the basic loss per share and there is therefore no dilutive effect of employee share options.