UK
Ireland
USA
Canada
Germany
Switzerland
Austria
Spain
Luxembourg
The Netherlands
Poland
South Africa
Hong Kong
Singapore
China
Australia
New Zealand

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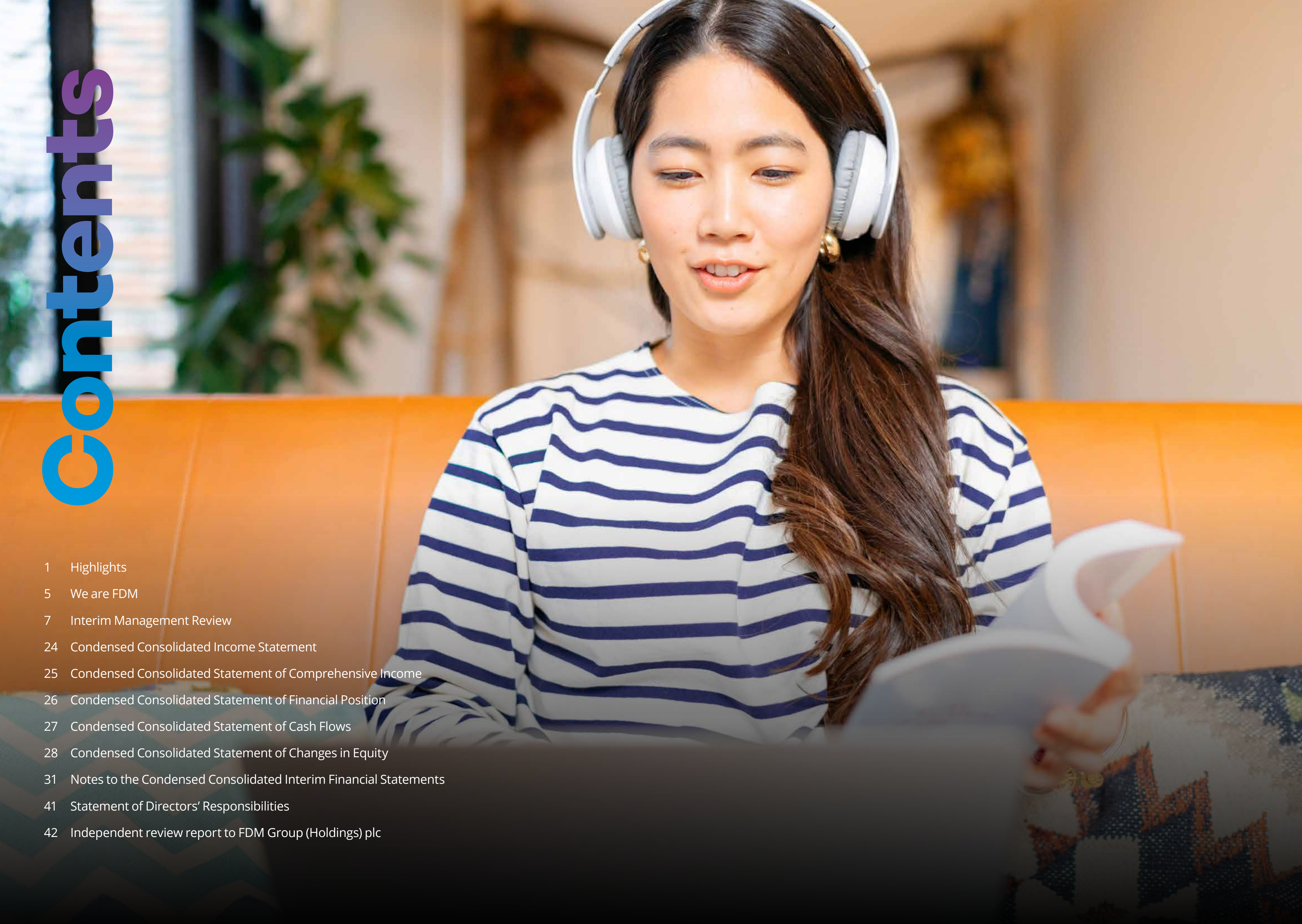
FDM

INTERIM REPORT

for the six months ended 30 June 2021



Contents

Highlights

Revenue (£m)

£131.3m

-7%

2020: £140.5m

Adjusted operating profit[1] (£m)

£22.3m

+9%

2020: £20.5m

Profit before tax (£m)

£20.5m

-3%

2020: £21.2m

Adjusted profit before tax[1] (£m)

£22.0m

+9%

2020: £20.2m

Basic earnings per share

14.3 pence

-3%

2020: 14.8 pence

Adjusted basic earnings per share[1]

15.6 pence

+11%

2020: 14.1 pence

Cash flows generated from operations (£m)

£19.4m

-37%

2020: £30.8m

Cash conversion[2] (%)

93.3%

-35%

2020: 143.3%

Interim dividend per share[3]

15.0 pence

-19%

2020: 18.5 pence

Cash position at period end

£44.7m

-23%

2020: £58.3m

Good progress in the first half of the year, despite ongoing challenges presented by the pandemic, with trading comfortably in line with the Board's expectations.

Strong levels of demand for our Mounties and high deal volumes across most of our regions, most notably in the UK and APAC. In North America, we have seen good demand in Canada; the US has been more subdued, although more recently is showing encouraging signs of increased demand.

Mounties assigned to clients at week 26[4] were up **5%** from a year previous at **3,841** (2020: 3,656) and up **7%** since the 2020 year end.

Mountie utilisation rate[5] for the six months to 30 June 2021 was **96.9%** (2020: 95.0%).

Group revenue down **7%** (down 4% on a constant currency basis) compared to the six months to 30 June 2020, due to the impact of a lower average number of Mounties deployed during the first half of 2021, reflecting the very strong first quarter 2020 performance ahead of the pandemic.

Strong revenue growth achieved in EMEA and APAC, with revenues up **15%** and **24%** respectively.

1 The adjusted operating profit and adjusted profit before tax are calculated before Performance Share Plan expense (including social security costs) of £1.5 million (2020: credit of £1.0 million). The adjusted basic earnings per share is calculated before the impact of Performance Share Plan expense/ credit (including social security costs and associated deferred tax).
2 Cash conversion is calculated by dividing cash flows generated from operations by operating profit.
3 The first interim dividend for 2020 of 18.5 pence per ordinary share matched the dividend originally proposed in respect of the year to 31 December 2019, which was withdrawn as the impact of COVID-19 was unfolding; a second interim dividend of 13.0 pence per ordinary share was paid to shareholders on 26 February 2021. A final dividend in respect of the year to 31 December 2020 of 15.0 pence per ordinary share was paid to shareholders on 4 June 2021.
4 Week 26 in 2021 commenced on 28 June 2021 (2020: week 26 commenced on 29 June 2020).
5 Utilisation rate is calculated as the ratio of cost of utilised Mounties to the total Mountie payroll cost.

Recruitment and training levels ramped up significantly in the first half to meet growing client demand; training completions in the first half were up **23%** to **1,025** (2020: 831). Current trainee numbers are at record levels.

From July 2021 our trainees in the UK will be employed and paid a salary from the first day of their training, in line with our other territories.

37 new clients secured globally (2019: 28) of which **31** were outside the financial services sector; progress in the government, pharmaceutical, healthcare, life sciences and telecommunications sectors.

Strong balance sheet, with **£44.7** million cash at period end (2020: £58.3 million), lower than prior June as a result of **£30.5** million dividends paid in first half of 2021 (2020: £ nil).

Cash conversion of **93.3%** (2020: 143.3%), in line with the Board's expectations. Cash conversion in the prior year reflected a higher level of accruals.

On 27 July 2021, the Board declared an interim dividend of **15.0** pence per ordinary share (2020: 18.5 pence), which will be payable on 3 September 2021 to shareholders on the register on 6 August 2021.[3]

Group well placed to achieve the Board's expectations for the full year and to deliver long-term growth.

"I am pleased to report that FDM made strong progress in the first half of the year and, while our markets remain impacted by the pandemic, we have seen operational performance return to levels that we experienced prior to the pandemic.

The number of training completions in the first half of 2021 is double what we achieved in the second half of 2020 and current trainee numbers are at record levels. We are investing significantly in a programme to transform our Academy offering, using the latest technologies and training methods to drive growth as demand for our Mounties increases.

The Board is confident that the Group is well placed to achieve its expectations for the current year and to deliver long-term growth"

Rod Flavell
Chief Executive Officer

We are FDM

FDM Group (Holdings) plc ("the Company") and its subsidiaries (together "the Group" or "FDM") form a global professional services provider with a focus on IT. Our mission is to bring people and technology together, creating and inspiring exciting careers that shape our digital future.

The Group's principal business activities involve recruiting, training and deploying its own permanent IT and business consultants ("Mounties" or "consultants") to clients, either on site or remotely. FDM specialises in a range of technical and business disciplines including Development, Testing, IT Service Management, Project Management Office, Data Engineering, Cloud Computing, 'Risk, Regulation and Compliance', Business Analysis, Business Intelligence, Cyber Security, AI ("Artificial Intelligence"), Machine Learning and Robotic Process Automation.

The FDM Careers Programme bridges the gap for graduates, ex-Forces and returners to work, providing them with the training and experience required to make a success of launching or re-launching their careers. We have dedicated training centres and sales operations located in London, Leeds, Glasgow, New York NY, Arlington VA, Charlotte NC, Austin TX, Toronto, Frankfurt, Singapore, Hong Kong, Shanghai and Sydney. We also operate in Ireland, Switzerland, Austria, Spain, Luxembourg, the Netherlands, Poland, South Africa and New Zealand. Our courses are currently delivered mainly remotely by our trainers to all of our in-training Mounties.

The health and wellbeing, both physical and mental, of all of our people and stakeholders is central to who we are and what we do. As such, our outreach programmes for our Mounties and in-house staff have grown in significance since the start of the pandemic, becoming key to our support and care for all of our staff globally.

FDM is a collective of over 5,000 people, from a multitude of different backgrounds, life experiences and cultures. We are a strong advocate of diversity and inclusion in the workplace and the strength of our brand arises from the talent within.

Forward-looking statements

This Interim Report contains statements which constitute "forward-looking statements". Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. Subject to any requirement under the Disclosure Guidance and Transparency Rules or other applicable legislation or regulation, the Group does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Shareholders and/ or prospective shareholders should not place undue reliance on forward-looking statements, which speak only as of the date of this Interim Report.

Awards

- JobCrowd Top 50 Companies For Graduates To Work For 2021
- MINT Minded Company (Germany)
- Vets Indexes Recognized Employer (USA)
- TalentEgg National Recruitment Excellence Awards – Best Grad Program (Canada)
- GradAustralia Top 100 Graduate Employers
- GradConnection Top 100 Graduate Employers
- Equal Opportunity Award: For Gender Equality and Racial Equality; and For Inclusion (both from the Equal Opportunities Employer Commission, Hong Kong)
- GradSingapore Top 100 Leading Graduate Employers

Awards received during the period included:

Interim Management Review

Overview

The first half of the year was one of strong progress for FDM and, while our markets remain impacted by the pandemic, we have seen operational performance return to levels that we experienced prior to the pandemic.

The impact of the pandemic on FDM was at its most severe in the second quarter of 2020, resulting in a reduction in the volume of new Mountie placements, delays in onboarding Mounties and the early termination of some placements by clients. This resulted during the first half of 2020 in an increase in the number of unallocated ("beached") Mounties and Mounties who had completed their training but were awaiting their first placement ("signed off").

During the first half of 2021 we have seen average weekly deal volumes exceed expectations. We are experiencing strong client demand across the majority of our markets, most notably in the UK and APAC, and the levels of beached and signed-off Mounties at 30 June 2021 are the lowest levels we have experienced in recent years. We achieved 1,025 training completions in the first half, double those achieved in the second half of 2020 (510 completions) and well ahead of those achieved in the first half of 2020 (831 completions); current trainee numbers are at record levels.

The number of Mounties placed with clients at week 26 was 3,841, up 5% against the first half of 2020 and up 7% since the 2020 year end. Average Mounties deployed was lower during the period than in the first half of 2020, due to the timing of the impact of the pandemic. Revenue for the six-month period was 7% lower (4% lower on a constant currency basis) at £131.3 million (2020: £140.5 million). We delivered a profit before tax for the first half of £20.5 million, down 3% on the equivalent period in 2020.

We have maintained a strong focus on cash management and cash collection, ending the period with £44.7 million of cash and no debt (30 June 2020: £58.3 million of cash and no debt), after making dividend payments of £30.5 million in the first half of 2021.

The pandemic has continued to place great demands on our staff. The Board is immensely proud of the response of our people to the challenges they have faced and expresses its gratitude to all employees.

Strategy

FDM's strategy is straightforward: we aim to deliver customer-led, sustainable, profitable growth on a consistent basis through our well-established Mountie model. The resilience and agility of our business model has enabled us to deliver a solid performance in the half year and to continue to deliver on our four key strategic objectives, despite our markets remaining impacted by the pandemic:

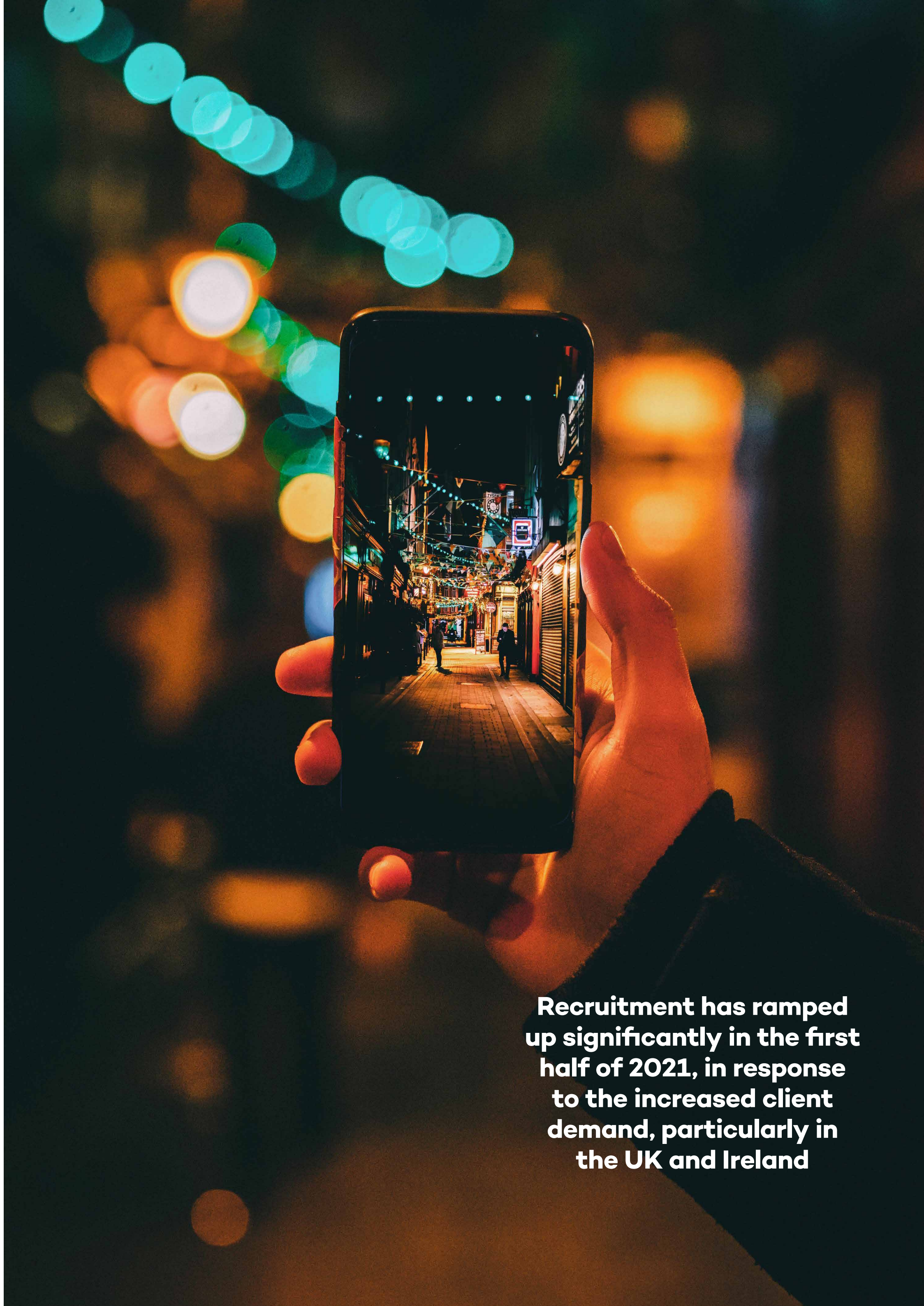
i. **Attract, train and develop high-calibre Mounties**

One of our key responses to the onset of the pandemic was the rapid implementation of technical solutions that enabled us to deliver training remotely across all our global locations. Such has been the success of our ability to deliver training remotely, it is probable that we will continue to deliver a large element of our training remotely in the future, whilst recognising the benefits of bringing trainees together into the same physical space for at least part of their training. We are engaged and investing in an Academy transformation programme which will establish a new way of providing our market-leading training, making it accessible to more trainees in more efficient ways, and using the latest technologies and training methods to achieve optimum results and drive growth. We are also continuing to develop our successful and innovative 'pod' concept, an important initiative developed during 2020 that allows our Mounties to develop their skills remotely in a multi-disciplinary and collaborative setting which closely simulates the client environments in which they will be placed in the future.

We are investing in a significant expansion to our programme for university students undertaking degree apprenticeships which will further diversify our talent pipeline.

In total, there were 1,025 training completions in the first half, up 23% against the equivalent period in 2020 (2020: 831), double those achieved in the second half of 2020 (510) and slightly ahead of training completions in the first half of 2019 (1,008).

Recruitment has ramped up significantly in the first half of 2021, in response to the increased client demand, particularly in the UK and Ireland. The efforts made by our Recruitment teams during 2020 to continue to maintain engagement with potential candidates and our University Partners have enabled us to increase the numbers of trainees to help meet this demand.



ii. Invest in leading-edge training facilities

As we moved to remote training in 2020, we were able to exit certain pop-up leases and give notice on others, reducing our cost base. We currently retain only one pop-up centre. Our permanent Academies, of which we currently have nine, are likely to remain a key part of our training model as we recognise the benefits of bringing trainees into physical classrooms for at least part of their training.

One of the important benefits of remote training is the accessibility it affords to those with travel restrictions, children and other caring responsibilities, enabling us to promote further diversity and inclusivity amongst our trainee population.

iii. Grow and diversify our client base

We continued to deliver the highest level of service to our clients and have worked closely with our clients to meet their requirements as demand for Mounties increased in the first half. We secured 37 new clients in the first half (2020: 28), of which 31 were from outside of the financial services sector. We made progress in the government, pharmaceutical, healthcare, life sciences and telecommunications sectors.

iv. Expand our geographic presence

We have increased the number of Mounties assigned to clients in UK and Ireland, EMEA and APAC compared with June 2020. The largest increase came in APAC which saw Mountie headcount increase by 190. UK and Ireland also delivered a very strong performance, increasing Mountie headcount by 93. North America decreased Mountie headcount by 145, and EMEA Mountie headcount increased by 47. Mountie numbers in UK and Ireland, EMEA and APAC have also shown good growth since 31 December 2020, with North America broadly flat.

An overview of the financial performance and development in each of our markets is set out on pages 13 and 14.

Our Markets

UK and Ireland

Revenue for the six-month period to 30 June 2021 decreased by 4% to £61.5 million (2020: £64.3 million). Average Mounties deployed was lower during the period than in the first half of 2020, due to the timing of the impact of the pandemic. Mounties deployed at week 26 were 1,730, an increase of 6% from 1,637 at week 26 2020 and from 1,625 at week 52 2020. Adjusted operating profit increased by 9% to £15.5 million (2020: £14.2 million).

Mountie headcount is recovering well from the impact of COVID-19. We have seen good client demand across a range of sectors and the number of beached consultants has normalised. We have ramped up training to match client demand and trained 424 compared to 340 in the comparable period last year and 417 for the whole of 2020. The proportion of Mounties who have completed their two years with FDM remains higher than in previous years (2021: 39%, 2020: 25%) as some clients are still refraining from internalising consultants; we anticipate that this will rebalance to more normal levels over the next two to three years.

From the beginning of July 2021 in the UK, trainees will now be employed and paid a salary from day one of training. This brings the UK into line with our operations elsewhere in the world and will make FDM in the UK an even more attractive employment opportunity for graduates. We anticipate that the cost of this initiative in the second half of 2021 will be approximately £2 million.

1,730

Mounties deployed at week 26

North America

Revenue for the six-month period to 30 June 2021 decreased by 22% to £39.8 million (2020: £51.1 million). Mounties deployed at week 26 were 1,077, a decrease of 12% from 1,222 at week 26 2020 and a decrease of 1% against 1,086 at week 52 2020. Adjusted operating profit increased by 7% to £4.9 million (2020: £4.6 million).

Most of the Mountie headcount decrease happened in the second half of 2020 as a result of the effects of the pandemic and political uncertainty. Despite Canada's strict lockdown remaining in force for much of the first six months of 2021, client demand has been good. The US has been more subdued although more recently is showing encouraging signs of increased demand, in part reflecting a broadening of our sector focus.

1,077

Mounties deployed at week 26

EMEA (Europe, Middle East and Africa, excluding UK and Ireland)

Revenue for the six-month period to 30 June 2021 grew by 15% to £12.4 million (2020: £10.8 million). Mounties deployed at week 26 were 283, an increase of 20% compared with 236 at both week 26 2020 and week 52 2020. Adjusted operating profit increased by 14% to £1.6 million (2020: £1.4 million).

The Mountie headcount increase was driven primarily by client demand in Risk, Regulation and Compliance roles in Luxembourg. During the period we established a presence in Poland, with the consultants from the first two training classes now having been deployed.

283

Mounties deployed at week 26

APAC (Asia Pacific)

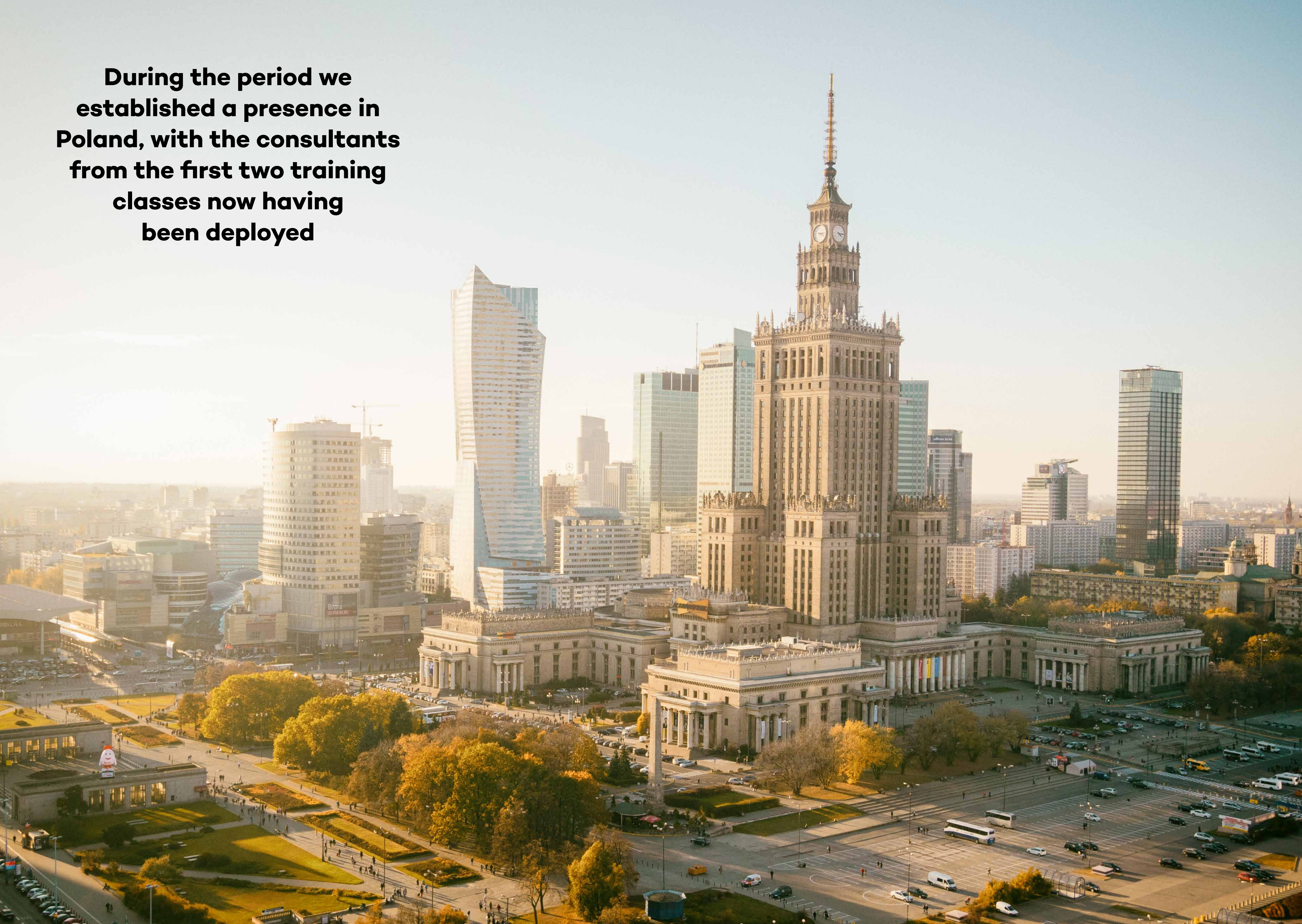
Revenue for the six-month period to 30 June 2021 grew by 23% to £17.6 million (2020: £14.3 million). Mounties deployed at week 26 were 751, an increase of 34% over 561 at week 26 2020 and an increase of 19% over 633 at week 52 2020. Adjusted operating profit increased by 33% to £0.4 million (2020: £0.3 million).

APAC continues to deliver strong headcount growth with Australia placing consultants at a rapid pace. During the period we established a trading entity in New Zealand to meet client demand and benefit from the reciprocal visa arrangements between Australia and New Zealand, which will allow us to place trainees from our Australian Academy in New Zealand.

751

Mounties deployed at week 26

During the period we established a presence in Poland, with the consultants from the first two training classes now having been deployed



Financial Review

Summary income statement

	Six months to 30 June 2021 £m	Six months to 30 June 2020 £m	% change
Revenue	**£131.3m**	£140.5m	-7%
Adjusted operating profit[1]	**£22.3m**	£20.5m	+9%
Profit before tax	**£20.5m**	£21.2m	-3%
Adjusted profit before tax[1]	**£22.0m**	£20.2m	+9%
Basic EPS	**14.3p**	14.8p	-3%
Adjusted basic EPS[1]	**15.6p**	14.1p	+11%

Overview

In markets that continue to be impacted by the pandemic, the Group has delivered a solid first-half performance. Revenue was 7% lower at £131.3 million (2020: £140.5 million) (constant currency basis, 4% lower), adjusted operating profit increased by 9% to £22.3 million (2020: £20.5 million) with adjusted basic EPS up 11% to 15.6 pence (2020: 14.1 pence).

Mounties assigned to clients at week 26 2021 totalled 3,841, an increase of 5% from 3,656 at week 26 2020 and an increase of 7% from 3,580 at week 52 2020. At week 26 our Ex-Forces Programme accounted for 213 Mounties deployed worldwide (week 26 2020: 201). Our Returners Programme had 146 deployed at week 26 2021 (week 26 2020: 102).

1 The adjusted operating profit and adjusted profit before tax are calculated before Performance Share Plan expenses (including social security costs). The adjusted basic earnings per share is calculated before the impact of Performance Share Plan expenses (including social security costs and associated deferred tax).

An analysis of revenue and Mountie headcount by region is set out in the table below:

	Six months to 30 June 2021 Revenue £m	Six months to 30 June 2020 Revenue £m	Year to 31 December 2020 Revenue £m	2021 Mounties assigned to clients at week 26[2]	2020 Mounties assigned to clients at week 26[2]	2020 Mounties assigned to clients at week 52[2]
UK and Ireland	**61.5**	64.3	119.8	**1,730**	1,637	1,625
North America	**39.8**	51.1	97.1	**1,077**	1,222	1,086
EMEA	**12.4**	10.8	20.8	**283**	236	236
APAC	**17.6**	14.3	30.0	**751**	561	633
	131.3	140.5	267.7	**3,841**	3,656	3,580

Adjusted Group operating margin has increased to 17.0% (2020: 14.6%), with overheads decreasing to £40.8 million (2020: £45.3 million).

Adjusting items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of underlying performance. The adjusted results are stated before Performance Share Plan expenses including associated taxes. An expense of £1.5 million was recognised in the six months to 30 June 2021 relating to Performance Share Plan expenses including social security costs (2020: credit of £1.0 million). The Directors believe that excluding these costs provides a more meaningful comparison of performance and cash generation. Details of the Performance Share Plan are set out in note 14 to the Condensed Consolidated Interim Financial Statements.

Net finance expense

Finance expense costs include lease liability interest of £0.3 million (2020: £0.4 million). The Group continues to have no borrowings.

Taxation

The Group's total tax charge for the half year was £4.8 million, equivalent to an effective tax rate of 23.5%, on profit before tax of £20.5 million (2020: effective rate of 23.5% based on a tax charge of £5.0 million and a profit before tax of £21.2 million). The effective rate is higher than the underlying UK tax rate of 19% primarily due to Group profits earned in higher tax jurisdictions. The effective rate reflects the Group's geographical mix of profits and the impact of items considered to be non-taxable or non-deductible for tax purposes.

2 Week 26 in 2021 commenced on 28 June 2021 (2020: week 26 commenced on 29 June 2020 and week 52 commenced on 21 December 2020).

Earnings per share

Basic earnings per share decreased in the period to 14.3 pence (2020: 14.8 pence), whilst adjusted basic earnings per share was 15.6 pence (2020: 14.1 pence). Diluted earnings per share was 14.3 pence (2020: 14.8 pence).

Dividend

Since 30 June 2020, the Group has paid three dividends in respect of the year to 31 December 2020. A first interim dividend of 18.5 pence per ordinary share was paid on 4 September 2020. This matched the final dividend that was originally proposed by the Board in respect of the year to 31 December 2019, which was withdrawn as the impact of COVID-19 was unfolding. On 27 January 2021, the Board declared a second interim dividend of 13.0 pence per ordinary share, which was paid to shareholders on 26 February 2021. The Board proposed a final dividend of 15.0 pence per ordinary share, approved by shareholders at the AGM held on 28 April 2021, which was paid on 4 June 2021. This took the total dividend in respect of the year to 31 December 2020 to 46.5 pence per share, an increase of 191% on 2019.

As indicated at the time of the 2020 full year results in March, the Group is resuming the application of its progressive dividend policy, retaining sufficient capital to fund ongoing operating requirements, and maintaining an appropriate level of dividend cover and sufficient funds to invest in the Group's longer-term growth. On 27 July 2021, the Directors declared an interim dividend of 15.0 pence per ordinary share (2020: 18.5 pence) which will be payable on 3 September 2021 to shareholders on the register on 6 August 2021.

Cash flow and Statement of Financial Position

Net cash flow from operating activities decreased from £24.1 million in the half year to 30 June 2020 to £14.1 million in the six months to 30 June 2021.

The Group's cash balance decreased to £44.7 million as at 30 June 2021 (2020: £58.3 million). The non-payment of the proposed final dividend in respect of the financial year ended 31 December 2019 boosted the prior year cash balance.

Dividends paid in the half year totalled £30.5 million (2020: £nil). Net capital expenditure was £0.1 million (2020: £0.5 million) and tax paid was £5.3 million (2020: £6.8 million).

Cash conversion for the period was 93.3%, compared with 143.3% for the comparative prior period. Adjusting for the impact of £7.9 million of accruals relating to the settlement (including expenses) of the long-standing legal claim and holiday pay, cash conversion in 2020 was 104.8%.

Related party transactions

Details of related party transactions are included in note 16 of the Condensed Interim Financial Statements.

Principal risks facing the business

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. The principal risks and uncertainties faced by the Group are set out in the Annual Report and Accounts for the year ended 31 December 2020 on pages 30 to 37.

COVID-19

As we reported in the Annual Report and Accounts for the year ended 31 December 2020, in the second quarter of 2020 the Group experienced a significant reduction in the volume of new Mountie placements, delays in on-boarding of Mounties as clients adapted to the remote working environment, and the early termination of some placements by clients operating in some of the sectors most badly affected by the pandemic. This led to a significant increase in the number of Mounties who were unallocated ("beached") or who had completed their training but were awaiting their first placement ("signed off"). In the second half of 2020 the volume of new deals began to increase again. This trend has continued through the first half of 2021, and Mountie utilisation rates, and the numbers of Mounties who are beached or signed off, have normalised as we respond to strong client demand. However, we are conscious that there is still social and economic uncertainty in some of our territories as COVID-19 infection rates fluctuate and governments around the world react with restrictions in different ways. We believe that this uncertainty will continue at some level during the second half of 2021, making overall Mountie headcount numbers difficult to predict. The Board's view is therefore that the risks associated with: (i) macro-economic activity, and (ii) the challenges inherent in balancing the supply of Mountie resource against client demand, remain elevated.

However, we have an agile and robust business model which positions us well to take advantage of opportunities as trading conditions continue to return to normal at different rates in our operating locations. Our existing and potential clients' processes of establishing new ways of working are developing and we envisage significant opportunities for our Mounties to support new technological change programmes across all sectors in which we operate.

Brexit

Though the UK is no longer part of the European Union ("the EU"), we consider our business model to be resilient against many of the threats and uncertainties which are perceived to arise from Brexit.

We have a diversified global footprint and our businesses in each of our territories (including the UK and EU countries) are self-sufficient and well established. They have their own local management teams, and recruit Mounties from within the territories in which they operate. We are not reliant on moving employees to or from the EU and are not therefore significantly impacted by the changes to the arrangements for the free movement of workers between the EU and the UK.

The Board recognises that some of FDM's clients, and the economic conditions in the UK and EU, have been, and will continue to be, adversely impacted by the effects of both COVID-19 and Brexit. These impacts affect the spending decisions of some clients. Whilst certain scenarios are outside the Group's control, we believe that FDM's business model is flexible, and the agile resource represented by our Mounties can be attractive to clients during times of economic, political and social uncertainty. There is therefore the potential for an increase in demand for our services during such times. These factors, together with FDM's strong cash and financial position, give the Board confidence that FDM can continue to respond appropriately to ameliorate the effect of any adverse conditions which may follow Brexit. Opportunities may arise for FDM as clients implement system and process changes required as a result of the UK leaving the EU.

Climate change and other Environmental Social and Governance ("ESG") risks

The Board considers that the risk of the direct physical effects of climate change impairing the Group's ability to continue its business activities is relatively low. The Group's operating model is agile and adaptable, and measures which we have put in place over the past year in response to the COVID-19 pandemic and the challenges of remote working and training give the Board confidence that the Group is able to recruit, train and deploy Mounties efficiently from any location. We are conscious that some of our current office locations are in cities which could be vulnerable to the longer-term risk of rising sea levels and extreme weather. The Board's policy is to consider these factors in the round as our portfolio of physical premises changes with the needs of the Group's business, which are evolving in line with our Academy transformation strategy and beyond. For some years we have been committed to considering the carbon footprint of premises when opening new locations (for example, we opened our most recent major Academy location in 2019, in the cutting-edge sustainable development at Barangaroo in Sydney, Australia).

We are also committed to reducing our carbon footprint in other areas, building carbon efficiencies into our ways of working. We are developing our reporting in line with the recommendations from the Task Force on Climate-Related Financial Disclosures ("TCFD") and we will report on these efforts in more detail in our annual report for 2021.

We are aware that our clients in some sectors could be adversely affected by future climate change and there is a risk that this affects our own business indirectly as clients' spending decisions are constrained by climate change challenges. We mitigate this risk by diversifying the sectors and geographies in which we operate. We also believe that there is opportunity for the Group as we train and deploy consultants with the skills to help our clients find and apply the optimal technical and business solutions to the challenges which climate change brings. For example, some of our clients in the energy sector are deploying Mounties on projects to help them to move towards sourcing energy from renewable sources.

The ESG credentials of global businesses like FDM are increasingly under scrutiny from investors, customers and employees and those businesses that do not stand up to that scrutiny are at risk of losing their share of the market. FDM is a leader in the field of corporate social responsibility and good governance; our competitive edge lies in the fact that diversity, inclusion and social mobility are the DNA of our business model. Further information about our work in this area is in pages 38 to 45 of our Annual Report and Accounts for the year ended 31 December 2020.

The Board

Jacqueline de Rojas (independent Non-Executive Director) was appointed as a member of the Nomination Committee with effect from 1 March 2021. Rod Flavell (CEO) stepped down as a member of the Nomination Committee with effect from 27 April 2021. As a result, the Committee now comprises three independent Non-Executive Directors (Jacqueline de Rojas, Michelle Senecal de Fonseca and Peter Whiting), and the Committee Chair (David Lister, who is also Chair of the Board). There have been no other changes to the composition of the Board or its Committees during the period.

Summary and outlook

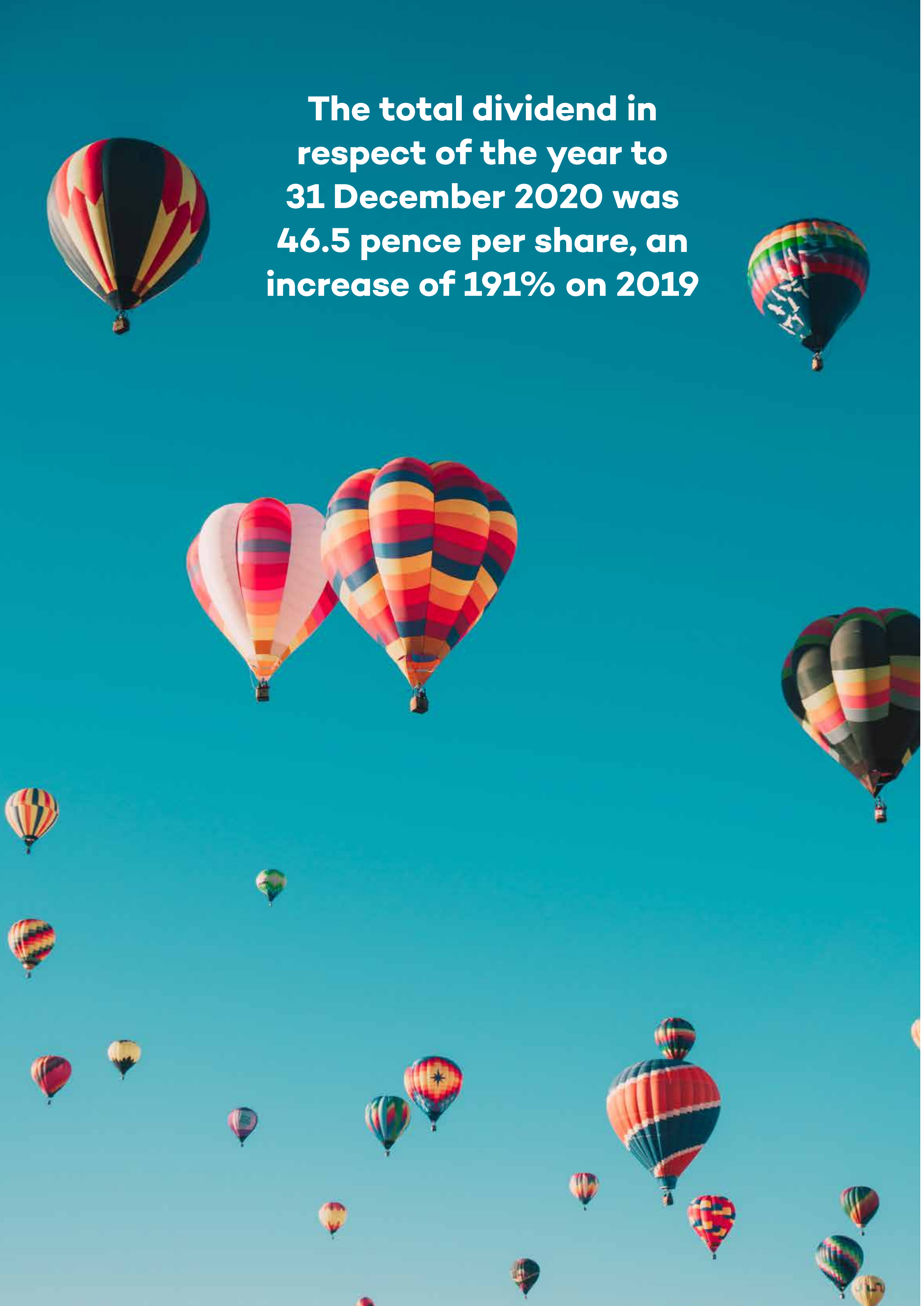
FDM's agile and robust business model has allowed us to respond rapidly and effectively to the exceptional challenges presented by the COVID-19 pandemic. During the first half of 2021 the Group has traded comfortably in line with the Board's expectations and we are confident in the outlook for the rest of the year.

By order of the Board

Rod Flavell
Chief Executive Officer

Mike McLaren
Chief Financial Officer

27 July 2021



Condensed Consolidated Income Statement

for the six months ended 30 June 2021

	Note	**Six months to 30 June 2021 £000**	Six months to 30 June 2020 £000	Year ended 31 December 2020 £000
Revenue		**131,289**	140,493	267,737
Cost of sales		**(69,708)**	(73,676)	(138,957)
Gross profit		**61,581**	66,817	128,780
Administrative expenses		**(40,809)**	(45,303)	(87,040)
Operating profit		**20,772**	21,514	41,740
Finance income		**43**	66	99
Finance expense		**(343)**	(421)	(815)
Net finance expense		**(300)**	(355)	(716)
Profit before income tax		**20,472**	21,159	41,024
Taxation	8	**(4,810)**	(4,972)	(10,249)
Profit for the period		**15,662**	16,187	30,775
Earnings per ordinary share		**pence**	pence	pence
Basic	10	**14.3**	14.8	28.2
Diluted	10	**14.3**	14.8	28.1

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2021

	Six months to 30 June 2021 £000	Six months to 30 June 2020 £000	Year ended 31 December 2020 £000
Profit for the period	**15,662**	16,187	30,775
Other comprehensive (expense)/ income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on retranslation of foreign operations (net of tax)	**(315)**	1,366	(635)
Total other comprehensive (expense)/ income	**(315)**	1,366	(635)
Total comprehensive income for the period	**15,347**	17,553	30,140

Condensed Consolidated Statement of Financial Position

as at 30 June 2021

	Note	30 June 2021 £000	30 June 2020 £000	31 December 2020 £000
Non-current assets				
Right-of-use assets		**12,608**	17,371	14,774
Property, plant and equipment		**4,669**	6,425	5,554
Intangible assets		**19,673**	20,159	19,885
Deferred income tax assets		**1,334**	1,478	2,123
		38,284	45,433	42,336
Current assets				
Trade and other receivables	11	**43,871**	44,756	31,048
Cash and cash equivalents	12	**44,707**	58,281	64,725
		88,578	103,037	95,773
Total assets		**126,862**	148,470	138,109
Current liabilities				
Trade and other payables	13	**34,649**	32,937	28,563
Lease liabilities		**5,046**	5,943	5,502
Current income tax liabilities		**1,756**	1,247	2,094
		41,451	40,127	36,159
Non-current liabilities				
Lease liabilities		**11,657**	16,534	13,986
Total liabilities		**53,108**	56,661	50,145
Net assets		**73,754**	91,809	87,964
Equity attributable to owners of the parent				
Share capital		**1,092**	1,092	1,092
Share premium		**9,705**	9,705	9,705
Capital redemption reserve		**52**	52	52
Own shares reserve		**(2,727)**	(7,997)	(3,795)
Translation reserve		**(25)**	2,291	290
Other reserves		**3,291**	2,958	3,396
Retained earnings		**62,366**	83,708	77,224
Total equity		**73,754**	91,809	87,964

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2021

	Note	**Six months to 30 June 2021 £000**	Six months to 30 June 2020 £000	Year ended 31 December 2020 £000
Cash flows from operating activities				
Group profit before tax for the period		**20,472**	21,159	41,024
Adjustments for:				
Depreciation and amortisation		**3,066**	3,243	6,501
Loss on disposal of non-current assets		**3**	3	19
Finance income		**(43)**	(66)	(99)
Finance expense		**343**	421	815
Share-based payment charge/ (credit) (including associated social security costs)		**1,535**	(970)	2,187
(Increase)/ decrease in trade and other receivables		**(13,567)**	(2,661)	9,802
Increase in trade and other payables		**7,575**	9,706	5,885
Cash flows generated from operations		**19,384**	30,835	66,134
Interest received		**43**	66	99
Income tax paid		**(5,339)**	(6,780)	(11,464)
Net cash flow from operating activities		**14,088**	24,121	54,769
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(107)**	(400)	(536)
Acquisition of intangible assets		**–**	(79)	(79)
Net cash used in investing activities		**(107)**	(479)	(615)
Cash flows from financing activities				
Proceeds from sale of shares from EBT		**190**	172	349
Principal elements of lease payments		**(2,624)**	(2,641)	(5,294)
Interest elements of lease payments		**(301)**	(389)	(746)
Proceeds from sale/ (purchase) of own shares		**51**	(7)	405
Finance costs paid	9	**(43)**	(32)	(68)
Dividends paid		**(30,482)**	–	(20,085)
Net cash used in financing activities		**(33,209)**	(2,897)	(25,439)
Exchange (losses)/ gains on cash and cash equivalents		**(790)**	557	(969)
Net (decrease)/increase in cash and cash equivalents		**(20,018)**	21,302	27,746
Cash and cash equivalents at beginning of period		**64,725**	36,979	36,979
Cash and cash equivalents at end of period	12	**44,707**	58,281	64,725

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2021

	Share capital £000	**Share premium £000**	**Capital redemption reserve £000**	**Own shares reserve £000**	**Translation reserve £000**	**Other reserves £000**	**Retained earnings £000**	**Total equity £000**
Balance at 1 January 2021	1,092	9,705	52	(3,795)	290	3,396	77,224	87,964
Profit for the period	–	–	–	–	–	–	15,662	15,662
Other comprehensive income for the period	–	–	–	–	(315)	–	–	(315)
Total comprehensive (expense)/income for the period	–	–	–	–	(315)	–	15,662	15,347
Share-based payments (note 14)	–	–	–	–	–	1,330	(645)	685
Transfer to retained earnings	–	–	–	–	–	(1,435)	1,435	–
Own shares sold (note 15)	–	–	–	1,068	–	–	(828)	240
Dividends	–	–	–	–	–	–	(30,482)	(30,482)
Total transactions with owners, recognised directly in equity	–	–	–	1,068	–	(105)	(30,520)	(29,557)
Balance at 30 June 2021	**1,092**	**9,705**	**52**	**(2,727)**	**(25)**	**3,291**	**62,366**	**73,754**

Condensed Consolidated Statement of Changes in Equity (continued)

for the six months ended 30 June 2020

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	1,092	9,687	52	(8,164)	925	3,946	67,526	75,064
Profit for the period	–	–	–	–	–	–	16,187	16,187
Other comprehensive income for the period	–	–	–	–	1,366	–	–	1,366
Total comprehensive income for the period	–	–	–	–	1,366	–	16,187	17,553
Share-based payments (note 14)	–	–	–	–	–	(972)	–	(972)
Transfer to retained earnings	–	–	–	–	–	(16)	16	–
New share issue	–	18	–	–	–	–	–	18
Own shares bought back (note 15)	–	–	–	(26)	–	–	–	(26)
Own shares sold	–	–	–	193	–	–	(21)	172
Total transactions with owners, recognised directly in equity	–	18	–	167	–	(988)	(5)	(808)
Balance at 30 June 2020	**1,092**	**9,705**	**52**	**(7,997)**	**2,291**	**2,958**	**83,708**	**91,809**

Condensed Consolidated Statement of Changes in Equity (continued)

for the year ended 31 December 2020

	Share capital £000	Share premium £000	Capital redemption reserve £000	Own shares reserve £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	1,092	9,687	52	(8,164)	925	3,946	67,526	75,064
Profit for the year	–	–	–	–	–	–	30,775	30,775
Other comprehensive expense for the year	–	–	–	–	(635)	–	–	(635)
Total comprehensive (expense)/ income for the year	–	–	–	–	(635)	–	30,775	30,140
Share-based payments (note 14)	–	–	–	–	–	2,092	–	2,092
Transfer to retained earnings	–	–	–	–	–	(2,642)	2,642	–
New share issue	–	18	–	–	–	–	–	18
Own shares bought back (note 15)	–	–	–	(25)	–	–	–	(25)
Own shares sold	–	–	–	4,394	–	–	(3,634)	760
Dividends (note 9)	–	–	–	–	–	–	(20,085)	(20,085)
Total transactions with owners, recognised directly in equity	–	18	–	4,369	–	(550)	(21,077)	(17,240)
Balance at 31 December 2020	**1,092**	**9,705**	**52**	**(3,795)**	**290**	**3,396**	**77,224**	**87,964**

Notes to the Condensed Consolidated Interim Financial Statements

1 General information

The Group is an international professional services provider focussing principally on IT, specialising in the recruitment, training and deployment of its own permanent IT and business consultants.

The Company is a public limited company incorporated and domiciled in the UK with a Premium Listing on the London Stock Exchange. The Company's registered office is 3rd Floor, Cottons Centre, Cottons Lane, London SE1 2QG and its registered number is 07078823.

These Condensed Interim Financial Statements were approved for issue by the Board of Directors of the Group on 27 July 2021. They have not been audited, but have been subject to an independent review by PricewaterhouseCoopers LLP, whose independent report is included on pages 42 and 43.

These Condensed Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 31 December 2020 was approved by the Board of Directors of the Group on 9 March 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2 Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards in its Consolidated Financial Statements on 1 January 2021. There was no impact or changes in accounting policies from the transition.

This Condensed Consolidated Interim Financial Report for the half-year reporting period ended 30 June 2021 has been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax, which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Going concern basis

The Group's continued and forecast global growth, positive operating cash flow and liquidity position, together with its distinctive business model and training facilities, have enabled it to manage its business risks. The Group's forecasts and projections show that it will continue to operate with adequate cash resources and within the current working capital facilities.

Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

3 Significant accounting policies

These Condensed Interim Financial Statements have been prepared in accordance with the accounting policies, methods of computation and presentation adopted in the financial statements for the year ended 31 December 2020.

4 Significant accounting estimate

The preparation of the Group's Condensed Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods. The following is considered to be the Group's significant estimate:

Share-based payment charge

A share-based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest based on the performance conditions of the awards, which comprise adjusted earnings per share growth and the number of employees that will leave before vesting. The charge is calculated based on the fair value on the grant date using the Black-Scholes model and is expensed over the vesting period.

The estimates and assumptions applied in the Condensed Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's Annual Report for the year ended 31 December 2020, with the exception of changes in estimates that are required in determining the provision for income taxes.

No individual judgements have been made that have a significant impact on the financial statements.

5 Seasonality

The Group is not significantly impacted by seasonality trends. A lower number of working days in the first half of the year is approximately offset by increased annual leave in the second half of the year, our lowest number of billable days occurs in December each year. Restrictions on travel due to COVID-19 have meant that, as in 2020, many Mounties have in 2021 elected to take less annual leave in the first half resulting in a greater than usual number of chargeable days per Mountie. An accrual has been made at the half year for the pro rata cost of unused annual leave which we anticipate will be taken in the second half of the year; the accrual is in line with that made at 30 June 2020.

6 Settlement of legal claim

On 25 February 2021, the Group paid £3.0 million in full satisfaction of the agreed settlement in respect of the long-standing legal claim. The claim was provided in full at 31 December 2020.

7 Segmental reporting

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Executive Directors are the chief operating decision maker in accordance with the requirements of IFRS 8 'Operating segments'.

At 30 June 2021, the Board of Directors consider that the Group is organised into four core geographical operating segments:

1. UK and Ireland;
2. North America;
3. Europe, Middle East and Africa, excluding UK and Ireland ("EMEA"); and
4. Asia Pacific ("APAC").

Each geographical segment is engaged in providing services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

All segment revenue, profit before income tax, assets and liabilities are attributable to the Group's sole revenue-generating stream, being a global professional services provider with a focus on IT.

Segmental reporting for the six months ended 30 June 2021

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	61,529	39,750	12,430	17,580	131,289
Depreciation and amortisation	(1,248)	(841)	(118)	(859)	(3,066)
Segment operating profit	**14,430**	**4,613**	**1,512**	**217**	**20,772**
Finance income*	95	86	–	–	181
Finance expense*	(128)	(32)	(40)	(281)	(481)
Profit/ (loss) before income tax	**14,397**	**4,667**	**1,472**	**(64)**	**20,472**
Total assets	**74,740**	**21,799**	**11,110**	**19,213**	**126,862**
Total liabilities	**(16,903)**	**(7,355)**	**(5,296)**	**(23,554)**	**(53,108)**

* Finance income and finance expense include intercompany interest which is eliminated upon consolidation.

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2021	**26,063**	**2,042**	**698**	**8,147**	**36,950**

Segmental reporting for the six months ended 30 June 2020

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	64,305	51,056	10,796	14,336	140,493
Depreciation and amortisation	(1,289)	(968)	(123)	(863)	(3,243)
Segment operating profit	**14,946**	**4,827**	**1,437**	**304**	**21,514**
Finance income*	96	100	3	1	200
Finance expense*	(162)	(59)	(32)	(302)	(555)
Profit before income tax	**14,880**	**4,868**	**1,408**	**3**	**21,159**
Total assets	**88,640**	**28,975**	**11,208**	**19,647**	**148,470**
Total liabilities	**(16,762)**	**(12,371)**	**(4,788)**	**(22,894)**	**(56,815)**

* Finance income and finance expense include intercompany interest which is eliminated upon consolidation.

7 Segmental reporting (continued)

Segmental reporting for the six months ended 30 June 2020 (continued)

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
30 June 2020	28,764	3,851	1,411	9,929	43,955

Segmental reporting for the year ended 31 December 2020

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
Revenue	119,835	97,082	20,837	29,983	267,737
Depreciation and amortisation	(2,648)	(1,873)	(239)	(1,741)	(6,501)
Segment operating profit	**24,555**	**12,279**	**3,384**	**1,522**	**41,740**
Finance income*	168	193	3	3	367
Finance expense*	(315)	(103)	(70)	(595)	(1,083)
Profit before income tax	**24,408**	**12,369**	**3,317**	**930**	**41,024**
Total assets	**83,229**	**24,431**	**10,782**	**19,667**	**138,109**
Total liabilities	**(9,578)**	**(12,861)**	**(5,391)**	**(22,315)**	**(50,145)**

* Finance income and finance expense include intercompany interest which is eliminated upon consolidation.

Included in total assets above are non-current assets (excluding deferred tax) as follows:

	UK and Ireland £000	North America £000	EMEA £000	APAC £000	Total £000
31 December 2020	27,405	2,812	888	9,108	40,213

Information about major customers

One customer represented 10% or more of the Group's revenue from all four operating segments and is presented as follows:

	Six months to 30 June 2021 £000	Six months to 30 June 2020 £000	Year ended 31 December 2020 £000
Revenue from customer A	**17,717**	16,471	31,488

8 Taxation

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the six months ended 30 June 2021 is 23.5% (the estimated tax rate for the six months ended 30 June 2020 was 23.5%).

9 Dividends

2021

An interim dividend of 15.0 pence per ordinary share was declared by the Directors on 27 July 2021 and will be paid on 3 September 2021 to holders of record on 6 August 2021, the amount payable will be £16.3 million.

2020

A first interim dividend of 18.5 pence per ordinary share was declared by the Directors on 28 July 2020 and was paid on 4 September 2020 to holders of record on 7 August 2020, the amount payable was £20.1 million. This matched the final dividend that was originally proposed by the Board in respect of the year to 31 December 2019.

On 27 January 2021, the Board declared a second interim dividend of 13.0 pence per ordinary share, which was paid to shareholders on 26 February 2021, the total amount payable was £14.2 million. The Board proposed a final dividend of 15.0 pence per ordinary share, approved by shareholders at the AGM held on 28 April 2021, which was paid on 4 June 2021, the amount payable was £16.3 million. This took the total dividend in respect of the year to 31 December 2020 to 46.5 pence per share, an increase of 191% on 2019.

10 Earnings per ordinary share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2021	Six months to 30 June 2020	Year ended 31 December 2020
Profit for the period	£000	**15,662**	16,187	30,775
Average number of ordinary shares in issue (thousands)	Number	**109,192**	109,191	109,191
Basic earnings per share	Pence	**14.3**	14.8	28.2

Adjusted basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent company, excluding Performance Share Plan expense (including social security costs and associated deferred tax), by the weighted average number of ordinary shares in issue during the period.

		Six months to 30 June 2021	Six months to 30 June 2020	Year ended 31 December 2020
Profit for the period (basic earnings)	£000	**15,662**	16,187	30,775
Share-based payment expense/ (credit) (including social security costs) (see note 14)	£000	**1,536**	(970)	988
Tax effect of share-based payment expense/ credit	£000	**(162)**	195	(341)
Adjusted profit for the period	£000	**17,036**	15,412	31,422
Average number of ordinary shares in issue (thousands)	Number	**109,192**	109,191	109,191
Adjusted basic earnings per share	Pence	**15.6**	14.1	28.8

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one type of dilutive potential ordinary shares in the form of share options; the number of shares in issue has been adjusted to include the number of shares that would have been issued assuming the exercise of the share options.

		Six months to 30 June 2021	Six months to 30 June 2020	Year ended 31 December 2020
Profit for the period (basic earnings)	£000	**15,662**	16,187	30,775
Average number of ordinary shares in issue (thousands)	Number	**109,192**	109,191	109,191
Adjustment for share options (thousands)	Number	**56**	486	207
Diluted number of ordinary shares in issue (thousands)	Number	**109,248**	109,677	109,398
Diluted earnings per share	Pence	**14.3**	14.8	28.1

11 Trade and other receivables

	30 June 2021 £000	30 June 2020 £000	31 December 2020 £000
Trade receivables	**35,362**	36,365	24,118
Other receivables	**2,478**	2,010	1,477
Prepayments and accrued income	**6,031**	6,381	5,453
	43,871	44,756	31,048

Included within prepayments and accrued income is £2,516,000 of accrued income (June 2020: £2,280,000; December 2020: £2,441,000).

12 Cash and cash equivalents

	30 June 2021 £000	30 June 2020 £000	31 December 2020 £000
Cash and cash equivalents	**44,707**	58,281	64,725

13 Trade and other payables

	30 June 2021 £000	30 June 2020 £000	31 December 2020 £000
Trade payables	**2,095**	1,013	1,153
Other payables	**1,994**	989	2,029
Other taxes and social security	**8,462**	8,423	6,502
Accruals and deferred income	**22,098**	22,512	18,879
	34,649	32,937	28,563

14 Share-based payments

During the six-month period ended 30 June 2021 the Group recognised a share-based payment expense of £1,392,000 (2020: credit of £826,000) and associated social security costs of £144,000 (2020: credit of £144,000).

15 Investment in own shares

During 2018 the FDM Group Employee Benefit Trust was established to purchase shares sold by option holders upon exercise of options under the FDM Performance Share Plan. The Group accounts for its own shares held by the Trustee of the FDM Group Employee Benefit Trust as a deduction from shareholders' funds. During the period own shares held were used to satisfy the requirements of the Group's share plans.

16 Related party transactions

A number of the Directors' family members are employed by the Group. The employment relationships are at market rate and are carried out on an arm's length basis.

The key management personnel comprise the Directors of the Group. The compensation of key management is set out below:

	Six months to 30 June 2021 £000	Six months to 30 June 2020 £000	Year ended 31 December 2020 £000
Short-term employee benefits	**1,688**	1,221	2,788
Post-employment benefits	**17**	17	33
Share-based payments expense/ (credit)	**218**	(169)	57
	1,923	1,069	2,878

17 Financial instruments

There are no material differences between the fair value of the financial assets and liabilities included within the following categories in the Condensed Consolidated Statement of Financial Position and their carrying value:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Statement of Directors' Responsibilities

The Directors confirm that these Condensed Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

Directors who held office during the period:

Rod Flavell	Chief Executive Officer
Sheila Flavell	Chief Operating Officer
Mike McLaren	Chief Financial Officer
Andy Brown	Chief Commercial Officer
David Lister	Non-Executive Chairman
Alan Kinnear	Non-Executive Director
Jacqueline de Rojas	Non-Executive Director
Michelle Senecal de Fonseca	Non-Executive Director
Peter Whiting	Non-Executive Director

The Executive Directors of FDM were listed in the Annual Report and Accounts of the Company for the year ended 31 December 2020 and remained the same in the six months to 30 June 2021.

By order of the Board

Rod Flavell
Chief Executive Officer

Mike McLaren
Chief Financial Officer

27 July 2021

Independent review report to FDM Group (Holdings) plc

Report on the Condensed Consolidated Interim Financial Statements

Our conclusion

We have reviewed FDM Group (Holdings) plc's Condensed Consolidated Interim Financial Statements (the "interim financial statements") in the Interim Report of FDM Group (Holdings) plc for the 6 month period ended 30 June 2021 ("the period"). Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2021;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of FDM Group (Holdings) plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 July 2021