14 September 2020

XPEDIATOR PLC

("Xpediator", the "Company" or the "Group")

CONDENSED INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2020

Xpediator Plc (AIM: XPD), a leading provider of freight management services across the UK and Central and Eastern Europe, is pleased to announce its unaudited condensed interim results for the six months ended 30 June 2020.

H1 Financial highlights

- Group turnover of £99.6m (2019: £102.4m) with overperformance in Q120 offset by the impact on trading from Covid-19 in Q220.
- Adjusted profit before tax[1] of £2.1m (2019: £2.0m) reflecting a resilient first-half performance benefitting from early cost reductions in March 2020, having an asset light structure and the diversity of businesses and customers across our Central and Eastern European (CEE) and UK footprint.
- Adjusted earnings per share of 1.03 pence (2019: 1.25 pence).
- Basic loss per share of 0.25 pence (H1 2019: loss per share of 0.04 pence).
- As at 30 June 2020 net cash was £4.3m (31 December 2019: £7.0m) after paying £3.7m in deferred acquisition payments.
- Strong net cash generation from operations of £5.4m (2019: £5.5m).
- Interim dividend increased to 0.45 pence per share (H1 2019: 0.28 pence).

Divisional overview

- Freight Forwarding revenue increased 2.2% to £78.4m (2019: £76.7m) generating operating profit of £2.6m (H1 2019: £1.4m), driven by growth in both CEE and UK markets and identifying margin enhancing opportunities through the Covid-19 crisis.
- Transport Solutions impacted by Covid-19, with revenue decreasing by 19.8% to £2.5m (2019: £3.1m) and operating profit to £0.9m (2019: £1.3m) natural reflection of the reduction in traffic and therefore lower requirement for fuel cards, trend now reversing with increase in traffic.
- Logistics and Warehousing revenue decreased by 16.9% to £18.7m (H1 2019: £22.6m) giving an operating profit of £0.6m (2019: £1.2m), while an improvement in operating margin a mix of temporary factors arising from Covid-19 reduced revenues despite another strong performance from Pallex.

Annualised cost savings

- Mix of temporary and permanent cost reductions made during H120 to counter the impact of Covid-19 with savings made within the IT, M&A and finance teams to be ongoing annualised savings of c.£0.5m.

Post period highlights

- Well placed to achieve an improved performance in the second half of 2020.
- Healthy pipeline of potential acquisitions.
- Benefits from cross-selling services and delivering organic opportunities.
- The search for a new CEO is well advanced with several high quality external and internal candidates.

[1] Profit before tax has been adjusted for exceptional items of restructuring costs and deferred consideration release of £700,000, (H1 2019 - aborted fees on InterEuropa and additional deferred consideration of £705,000), non-cash interest on deferred consideration of £161,000 (H1 - £184,000), £726,000 (H1 2019: £676,000) amortisation of acquisition related intangibles, additional interest charge of £171,000 (H1 2019: £198,000) following the application of IFRS 16 and a £nil (H1 2019: £26,000) credit relating to the non-cash interest charge on the receipt of Income from the vendors of Benfleet Forwarding Limited.

Alex Borrelli, Chairman, commented:

"These results show a resilient performance and demonstrate that there has been good demand for our services both in the UK and on the continent despite the impact of Covid-19. Where business units have been impacted by the pandemic, the effect is largely temporary and since the half-year trading across all three divisions is getting close to normal. That said, the Group is still mindful that a second wave of Covid-19 remains a possibility and we continue to review our contingency plans.

Of the cost savings made in March, c.£0.5 million will be maintained as annualised savings which will feed through to an improvement in operating profit, a key ongoing focus alongside strong cash generation across the Group. The pandemic also showed the value of being an asset light and diversified business not reliant on any one sector, market or customer. Particularly impressive was the performance of our Freight Forwarding division as Lithuania, Bulgaria, Estonia, Serbia and our domestic business in the UK showed strong margin growth and identified some good opportunities through the Covid-19 crisis. These businesses have worked in conjunction with our fuel card business (Affinity), which has provided a competitive advantage in identifying those hauliers who are able to run key routes at good rates.

Overall, whilst the impact of Covid-19 reduced profitability in the period, the Company is now trading close to normal levels and has started the traditionally stronger second half of the year well."

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About Xpediator:

Xpediator is a well-established international provider of freight management services. Established in 1988 by the current Deputy Chairman Stephen Blyth today the Group's International network of offices provides road, sea and air freight services, together with logistics and warehousing in the UK and Romania. The business offers integrated freight management within the supply chain logistics and fulfilment sector, through their three main areas: freight forwarding, logistics & warehousing and transport solutions. With headquarters in Braintree, Essex and country offices in nine CEE countries across 31 sites, the Group currently employs over 1,000 people and was successfully listed on London's AIM market in August 2017.

For more information, please visit: www.xpediator.com.

Alternatively, do follow us on Twitter at @Xpediator or find us on LinkedIn at Xpediator Plc.

Joint Interim CEO Statement

Introduction

We are pleased to present the Group's financial performance for the first six months of 2020. Whilst market conditions remain competitive and the business has been impacted by Covid-19, demand for the Company's freight management services has remained robust.

Our strategy remains focused around building a scalable and risk adjusted platform to support an expanding portfolio of freight management companies across the UK and Europe with a particular expertise in Central and Eastern Europe ("CEE").

Covid-19

Covid-19 has had an impact on the business, but the Group has traded resiliently through this extraordinary period. Whilst activity levels have been slightly lower, with revenues down by 2.7% during the period, demand from some sectors particularly in the freight forwarding division was strong throughout. Those areas which are dependent on either traffic volumes (Affinity) or are exposed to markets with Government restrictions, such as Easy Managed Transport (UK High Street Fashion) or Benfleet (with China and Italy being key markets) experienced reduced trading levels.

H1 2020 Trading

The Group generated revenue of £99.6m during the six months ended 30 June 2020 (H1 2019: £102.4m), adjusted operating profit of £2.5m[2] (H1 2019: £2.4m) and reported profit before tax of £0.3m (H1 2019: £0.2m).

[2] Operating Profit has been adjusted for the exceptional items of £700,000 (H1 2019 : £705,000) and the amortisation charge of £726,000 (H1 2019 : £676,000)

Turnover generated in the CEE/non-UK increased by 6.6% to £63.4m (H1 2019: £59.5m), reflecting the lesser impact Covid-19 had in these markets, whilst demand for services in the UK declined by 15.5% to £36.2m (H1 2019 : £42.8m).

Net cash (excluding right-of-use assets debt) at 30 June 2020 was £4.3m (H1 2019: £4.1m, December 2019: £7.0m). Whilst net cash decreased by £2.7m from December 2019, the Group paid £3.7m for deferred consideration payments for Import Services Limited. (£3.0m), Anglia Forwarding Group Limited (£0.4m) and Regional Express Limited (£0.3m).

Days sales outstanding at 30 June 2020 were 66.1 days (H1 2019: 68.6 days) showing a continual improvement in cash collection and greater focus by the finance teams within the Group.

The Group has reviewed its overhead position to ensure that it is positioned for future growth. Significant central overheads savings have been made to date although much of the full benefit is still to come in the second half of the year, with an expected annual benefit of c.£0.5m. In addition, a new IT Director will join the business in September as the Group looks to further develop its IT function and digitalisation programme to deliver efficiencies across the divisions.

The Directors are declaring an increased interim dividend of 0.45 pence (H1 2019: 0.28 pence) per share totalling £637,000 (H1 2019: £381,000) to be paid on 30 October 2020. This dividend has not been accrued in the consolidated Statement of Financial Position.

Operational Review

Freight Forwarding

Revenue	*H1 2020: £78.4m*	*H1 2019: £76.7m*
Operating profit	*H1 2020: £2.6m*	*H1 2019: £1.4m*

Freight forwarding services are provided under the Delamode, Anglia Forwarding and Benfleet Forwarding brands. The division specialises in moving freight, primarily internationally by road, rail, air and sea, and continues to be the largest core service of the Group.

The division which accounts for approximately 79% of the Group's revenue has continued to grow in 2020 with revenue in H1 2020 increasing by 2.2%, resulting in operating profit increasing 89.7% to £2.6m (H1 2019: £1.4m). These results also include an operating loss for the Group's e-commerce division (EshopWeDrop and Regional Express) of £0.2m (H1 2019: loss £0.3m). Whilst e-commerce operates under a separate management structure within Xpediator, its results are currently included in the Freight Forwarding division.

Growth within Freight Forwarding has been principally driven by continued strong performance from H2 19 in Lithuania and Bulgaria, the maturing of the business units in Estonia and Serbia and development of the domestic business within the UK. Demand for services has been high in these markets despite the impact of Covid-19. The freight forwarding businesses sought to take advantage of opportunities during the Covid-19 crisis and used the Affinity business which was able to help identify those hauliers able to move products at competitive rates. The growth in certain markets has been partially offset by a reduction in profit at the Benfleet operation by £(0.2)m, which has particular exposure to China and Italy, markets which had earlier and more significant impact from Covid-19.

Transport Solutions (Affinity)

Revenue	*H1 2020: £2.5m*	*H1 2019: £3.1m*
Operating profit	*H1 2020: £0.9m*	*H1 2019: £1.3m*

Transport Solutions, trading principally under the Affinity brand, provides bundled fuel and toll cards, financial and support services for hauliers in Southern Europe. Affinity is an agent of DKV, one of the world's largest fuel card providers, and supplies the DKV fuel card across the East and West Balkan region to a database of approximately 2,000 Eastern European hauliers and over 14,500 trucks. In addition, Affinity offers a "one stop shop" of transport services including - ferry bookings, insurances and recently, VAT refund services.

As well as acting independently, Affinity's commercial model allows the Group to generate synergies as many of the hauliers who are customers of Affinity also supply haulage services to Group companies. This enables the Group to have a good understanding of its customers and suppliers, and underpins the Group's ability to source transport especially when capacity is low.

During the Covid-19 period, levels of transport traffic reduced in line with industrial production, CEE Governments chose to close borders creating long delays and there was a net 13.6% decline in diesel volumes throughout Europe. All of which combined reduced the use Affinity's DKV fuel card and associated transport services in this period.

Revenue decreased by £0.6m (or 19.8%) and operating profit by £0.4m (or 29.4%). During the year, Gross Billings in January and February were approximately 5.5% ahead of the prior year but, as the Covid-19 crisis impacted CEE, Gross Billings decreased year on year in Q2 by 34.9%, impacted not only by a reduced use of the fuel cards, but also due to the drop of the diesel price of more than 15% year on year. While volumes were down 21.1% in June and 10.8% in July, the Affinity business is now showing strong signs of improvement. It is anticipated that volumes will return to normal trading levels in the second half of the year.

Logistics & Warehousing

Revenue	*H1 2020: £18.7m*	*H1 2019: £22.6m*
Operating profit	*H1 2020: £0.6m*	*H1 2019: £1.2m*

The division includes businesses in the UK and Romania under the Delamode brand, Import Services and Easy Managed Transport in the UK, and Delamode and Pallex in Romania Overall, revenue decreased by £3.9m (or 16.9%) and Operating Profit decreased by £0.6m (or 47.0%) mainly reflecting a net negative impact of Covid-19 in the UK partly offset by strong performance in Romania.

The Group successfully operates the master franchisee of a fast growing pallet distribution network in Romania which trades under the Pall-Ex brand. Pall-Ex contributed strongly during this period and is now moving on average approximately 67,000 pallets of freight monthly (H1 2019: 60,000 per month), servicing mainly manufacturers, retailers and importers in Romania and the surrounding region. Revenue and operating profit increased by 12% and 47% respectively vs H1 2019.

Warehousing activity in Romania has remained robust, with volumes and operating margin exceeding H1 2019 by 14%. There was some impact from Covid-19 on the Pall-Ex and Romanian Logistics volumes but the impact was only in April with volumes returning to pre Covid-19 levels in May. Revenue and operating profit increased 14% and 90% respectively vs H1 2019 due to newly attracted business and close cost controls.

The Covid-19 impact on the UK businesses, has been driven by the exposure to the high street for EMT, which has seen significant reductions in volumes. In response, the EMT business has been restructured and a new warehouse management system introduced. Together these actions will permanently reduce the overhead of the business unit and when high street volumes return it will be a leaner and more efficient business. EMT made a loss for the period of £0.2m (H1 2019: profit £0.2m) but is expected to return to profit in H2 2020.

The Import Services warehouses in Southampton were also negatively impacted by Covid-19 during H1 2020 as a result of lower inbound and outbound volumes and higher labour costs to ensure social distancing guidelines were met. Together, this resulted in lower profits during H1 2020 of £(0.2)m. Profits for H2 2020 are expected to be in line with the prior year. The new warehouse in Southampton is on track to open in late Q1 2021, for which we are developing a good pipeline of business.

The Delamode warehouse in Braintree performed better during Q2 2020 with benefits from customers exposed to e-commerce felt. Trading in the site remains challenging, with a key customer moving to an alternative provider during Q4 2020. Significant progress has been made in the structure of the operation and the pipeline of new customers remains strong, so whilst there may be some trading losses during H2 2020, the businesses is expected to return to profitability once new contracts are secured.

Acquisitions

On 1 January 2020, the Group obtained operational and management control of International Cargo Centre Limited (ICC) and as a result this has been accounted for as a Business Combination on 1 January 2020 under the definition of IFRS 3 “Business Combinations”.

On 30 April 2020, the Group acquired the remaining 60% of the issued share capital of ICC, having acquired the original 40% on 4 June 2018.

Brexit

The Freight Forwarding division has been working hard to navigate the uncertain and changing positions regarding Brexit during 2020 with investments in both external and internal resources. A Brexit Committee made up of the senior executives within the division was established in 2018 and has been meeting regularly to manage the Brexit Project. The senior management team believe that the Freight Forwarding division is fully prepared for Brexit taking into account the unknowns that still exist. Depending on the outcome of negotiations between now and January 2021 custom clearance activity may offer a significant opportunity for the division.

Outlook

Xpediator has stabilised during H1 2020 despite Covid-19 with reductions in revenue more than offset by agile selling and purchasing, cost savings and the Group is well placed to continue to expand. Our mix of geographies and freight management services represents a unique combination and provides our customers with solutions to access these markets and store their goods. Despite the ongoing uncertainties around Brexit and Covid-19 we are confident in the future demand for our services and are focused on ensuring we have the right growth disciplines, infrastructure and personnel in place to support the profitable expansion of the Group going forward.

We expect the full year adjusted profit to be in line with or above the level achieved last year.

Joint CEO's
14 September 2020

Financial Review

Revenue

Revenue for the six months to 30 June 2020 was £99.6m, a decrease of £2.7m or 2.7% on the comparable period (H1 2019: £102.4m).

Revenue increased within the Freight Forward business by £1.7m, offset by revenue in declines in the Logistics and Warehouse and Affinity operations.

Gross Profit

Although revenue declined by £2.7m, gross profit was only £0.1m adverse to H1 2019 due to better purchasing and operating cost control partly offset by a change in mix to lower margin Freight Forwarding. Actual Gross Margin increased by 0.6% to 24.8% (H1 2019 – 24.2%).

Operating profit

Statutory operating profit for the period was £1.1m (H1 2019: £1.1m).

Financing costs

The net interest expense for the period was £0.8m (H1 2019: £0.8m). In addition, there was a non-cash interest charge relating to deferred consideration payable of £0.2m, as a result of the acquisition of ISL and Anglia Forwarding. The ISL deferred consideration was paid in May 2020, and the Anglia Forwarding deferred consideration period finishing also in May 2020, with the likely final payment due to be made in September 2020.

Tax

The tax charge for the period was £0.1m (H1 2019: £0.1m). This equates to an effective tax rate of 32.4% (H1 2019: 46.3%).

Adjusted profit before tax

A reconciliation between reported profit before tax and adjusted profit before tax is shown below:

	Unaudited	**Unaudited**	**Audited**
	6 months to 30 June 2020 £000	**6 months to 30 June 2019 £000**	**Year to 31 December 2019 £000**
Profit before tax (as reported)	302	227	2,175
Exceptional items (See note 12)	700	705	856
Unwind and add back of discount on deferred consideration	161	184	346
Amortisation of intangibles	726	676	1,407
Discount on deferred consideration	-	(26)	(52)
Additional incurred interest charge – IFRS 16 [3]	171	198	419
Total adjustments	1,758	1,737	2,976
Adjusted profit before tax	**2,060**	**1,964**	**5,151**

[3] The additional incurred interest charge - IFRS 16 represents the difference between the cash rental payments and the accounting charges for depreciation and interest. This is included for comparability purposes.

Adjusted profit after tax

	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
Total adjustments to profit as identified above	1,758	1,737	2,976
Tax impact on:			
Amortisation of on intangibles	(138)	(128)	(267)
Additional interest charge – IFRS 16	(32)	(38)	(80)
Total tax impact on adjusted items	(170)	(166)	(347)
Adjusted profit after tax	**1,588**	**1,571**	**2,629**

Statement of Financial Position

The Group had net assets of £29.4m as at 30 June 2020 (31 December 2019: £29.0m).

Non-current liabilities decreased by £2.2m to £25.4m (31 December 2019: £27.6m) principally as a result of the utilisation of right-of-use liabilities.

Current trade and other receivables decreased £4.3m to £56.6m (31 December 2019: £60.9m), largely as a result of a decrease in receivable balances in the Affinity Business (£2.0m) and improved credit control processes throughout the Group.

Net Cash/(debt) Reconciliation

	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
Cash at Bank	11,586	9,691	11,951
Confidential invoice discounting facility	(3,777)	(2,753)	(2,382)
Overdraft	(1,070)	-	-
Bank Loans	(2,419)	(2,821)	(2,616)
Right-of-use-assets liabilities	(26,212)	(30,329)	(27,927)
Total debt	**(33,478)**	**(35,903)**	**(32,925)**
Net Debt	**(21,892)**	**(26,212)**	**(20,974)**
Net Cash excluding Right-of-use-assets	**4,320**	**4,117**	**6,953**

Net cash was £4.3m at 30 June 2020 (£4.1m at 30 June 2019), which is £2.7m lower than December 2019. During H120 the Group has paid deferred consideration of £3.7m for Import Services Limited, Anglia Forwarding Limited and Regional Express Limited.

Board and Senior Management Changes

On 2 January 2020, Robert Ross became Chief Financial Officer having previously worked for Europa Worldwide Group. On 5 June 2020, the Group announced that Stephen Blyth was stepping away from the role of Chief Executive Officer. He has remained in the Group as non-executive Deputy Chairman, as well as chairing a newly formed M&A committee and being appointed as a member of the audit committee. Robert Ross and Danor Ionescu are jointly covering the position of CEO until a full-time successor has been appointed.

Share Capital

On 30 June 2020, the Group issued an additional 5,548,951 Ordinary Shares following the issue of a scrip dividend. As a result, total Ordinary Shares in issue at period end was 141,633,175.

Dividends

The directors are declaring an interim dividend of 0.45pence (H1 2019: 0.28 pence) per share totalling £637,000 (H1 2019: £381,000). The dividend will be payable to shareholders on the register on 16 October 2020 with the ex div date being 15 October 2020. The dividend will be paid on 30 October 2020.

Robert Ross (Joint CEO and CFO)

14 September 2020

Condensed income statement	Note	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
Gross billings		155,908	170,990	350,121
Revenue	1	99,637	102,376	213,247
Cost of sales		(74,976)	(77,606)	(160,643)
Gross profit		24,661	24,770	52,604
Other operating income		873	440	1,193
Impairment loss on receivables		(592)	(415)	(836)
Administrative expenses		(23,875)	(23,727)	(49,133)
Operating profit		1,067	1,068	3,828
Exceptional items included in administrative expenses above	12	700	705	856
Operating profit before exceptional items		1,767	1,773	4,684
Share of loss of equity accounted associate		-	(74)	(60)
Finance income		4	47	81
Finance costs		(120)	(163)	(319)
Right-of-use asset interest charge		(488)	(467)	(1,009)
Non cash finance costs	12	(161)	(184)	(346)
Profit before tax		302	227	2,175
Income tax		(98)	(105)	(872)
Profit for period		204	122	1,303
(Loss)/Profit attributable to:				
Owners of the parent		(346)	(57)	810
Non-controlling interests		550	179	493
Profit for period		204	122	1,303

EPS attributable to the owners of the parent

Basic (loss)/earnings pence per share	3	(0.25)	(0.04)	0.60
Diluted (loss)/earnings pence per share	3	(0.25)	(0.04)	0.60
Adjusted basic earnings per share	3	1.03	1.25	2.80
Adjusted diluted earnings per share	3	1.03	1.24	2.79

Condensed Statement of Comprehensive Income	Unaudited	Unaudited	Audited
	6 months to	6 months to	Year to
	30 June 2020	30 June 2019	31 December 2019
	£000	£000	£000
Profit for the period	204	122	1,303
Other comprehensive income : items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	656	25	(705)
Total comprehensive income for the period	**860**	**147**	**598**
Total comprehensive income/(loss) attributable to:			
Owners of the parent	265	(36)	143
Non-controlling interests	595	183	455
Total comprehensive income for the period	**860**	**147**	**598**

Condensed Statement of Financial Position

	Note	Unaudited 30 June 2020 £000	Unaudited 30 June 2019 £000	Audited 31 December 2019 £000
Non-current assets				
Intangible assets	5	24,573	25,465	24,706
Property, plant and equipment	6	2,471	2,636	2,516
Right-of-use Assets	7	25,284	29,858	27,385
Investments – unlisted		1	1	1
Investments in equity associated investments		-	60	-
Trade and other receivables		1,541	1,155	1,050
Deferred tax		699	517	210
Total non-current assets		54,569	59,692	55,868
Current assets				
Inventories		255	81	118
Trade and other receivables		56,605	64,848	60,927
Cash and cash equivalents		11,586	9,691	11,951
Total current assets		68,446	74,620	72,996
Total assets		123,015	134,312	128,864
Equity				
Share capital	8	7,131	6,849	6,854
Share premium		13,139	11,987	11,987
Equity reserve		1	25	16
Translation reserve		681	758	70
Merger reserve		3,102	3,071	3,102
Retained earnings		4,161	6,749	6,094
Total equity		28,215	29,439	28,123
Non-controlling interests	9	1,181	695	887
Total equity		29,396	30,134	29,010
Non-current liabilities				
Deferred consideration		-	2,031	-
Provisions		1,748	1,599	1,674
Trade and other payables		108	106	101
Interest bearing loans and borrowings	10	2,074	2,463	2,275
Lease liabilities right-of-use assets	11	19,740	24,178	21,535
Deferred tax		1,748	2,088	1,968
Total Non-current liabilities		**25,418**	**32,465**	**27,553**
Current liabilities				

Trade and other payables		55,856	60,146	58,579
Deferred consideration		681	2,305	4,607
Interest bearing loans and borrowings	10	4,122	3,111	2,723
Overdrafts		1,070	-	-
Lease liabilities right-of-use assets	11	6,472	6,151	6,392
Total current liabilities		**68,201**	**71,713**	**72,301**
Total liabilities		93,619	104,178	99,854
Total equity and liabilities		123,015	134,312	128,864

Condensed Statement of Cash Flows	**Unaudited 6 months to 30 June 2020**	**Unaudited 6 months to 30 June 2019**	**Audited Year to 31 December 2019**
	£000	**£000**	**£000**
Profit before tax before loss on associate	302	301	2,235
Adjustment for:			
Loss of equity accounted investment	-	(74)	(60)
Depreciation	3,669	3,375	6,990
Amortisation	878	767	1,587
Finance costs	769	814	1,674
Finance income	(4)	(47)	(81)
Share based payment charge	(15)	20	(11)
Deferred consideration adjustment	-	519	666
(Profit)/Loss on disposal of property, plant and equipment	5	(5)	32
	5,604	5,670	13,032
Changes in working capital:			
(Increase)/decrease in stock	(137)	(23)	(60)
(Increase)/decrease in trade and other receivables	3,831	(4,499)	(473)
Increase/(decrease) in trade and other payables	(3,987)	4,306	3,153
Increase in Provisions	74	76	151
Net cash generated from operating activities	5,385	5,530	15,803
Continuing operations			
Cash flows from operating activities			
Interest paid	(121)	(78)	(909)
Tax paid	(353)	(358)	(729)
Net cash from operating activities	**4,911**	**5,094**	**14,165**
Cash flows from investing activities			
Purchase of tangible fixed assets	(350)	(866)	(1,321)
Proceeds from sale of fixed assets	-	32	-
Purchase of intangible fixed assets	(355)	(300)	(498)
Cash paid on deferred consideration of acquisition	(3,711)	-	(206)
Interest received	4	25	29
Net outflow from investing activities	**(4,412)**	**(1,109)**	**(1,996)**
Cash flows from financing activities			
New loans	1,437	-	-

Loan repayments	-	(386)	(1,217)
Issue of ordinary shares for cash	-	149	150
Dividend paid	-	-	(1,522)
Transactions with non-controlling interests	169	(34)	(6)
Non-controlling interest dividends paid	(227)	(74)	(154)
Repayments on Leases	(3,593)	(3,618)	(6,546)
Net cash outflow from financing activities	**(2,214)**	**(3,963)**	**(9,295)**

Condensed Statement of Cash Flows	**Unaudited**	**Unaudited**	**Audited**
	6 months to 30 June 2020	**6 months to 30 June 2019**	**Year to 31 December 2019**
	£000	**£000**	**£000**
Increase/(decrease) in cash and cash equivalents from continuing operations	(1,715)	22	2,874
Cash and cash equivalents at beginning of period	11,951	9,647	9,647
Effect of foreign exchange rate movements	280	22	(570)
Cash and cash equivalents at end of period	**10,516**	**9,691**	**11,951**

Condensed Statement of Changes in Equity

For the six months to 30 June 2020 (unaudited)

	Share Capital £'000	Share Premium £'000	Equity Reserve £'000	Translation Reserve £'000	Merger Reserve £'000	Retained Earnings £'000	Total £'000	NCI £'000	Total Equity £'000
Balance at 1 January 2020	**6,854**	**11,987**	**16**	**70**	**3,102**	**6,094**	**28,123**	**887**	**29,010**
Acquisition of subsidiary	-	-	-	-	-	-	-	(232)	(232)
Transfer on acquisition of non-controlling interest	-	-	-	-	-	(158)	(158)	158	-
Share option charge	-	-	(15)	-	-	-	(15)	-	(15)
Dividends paid	277	1,152	-	-	-	(1,429)	-	(227)	(227)
Total contributions by and distributions to owners	**277**	**1,152**	**(15)**	**-**	**-**	**(1,587)**	**(173)**	**(301)**	**(474)**
(Loss)/Profit for the period	-	-	-	-	-	(346)	(346)	550	204
Exchange differences on foreign operations	-	-	-	611	-	-	611	45	656
Total comprehensive (Loss)/income for the period	**-**	**-**	**-**	**611**	**-**	**(346)**	**265**	**595**	**860**
Balance at 30 June 2020	**7,131**	**13,139**	**1**	**681**	**3,102**	**4,161**	**28,215**	**1,181**	**29,396**

For the six months to 30 June 2019 (unaudited)

	Share Capital £'000	Share Premium £'000	Equity Reserve £'000	Translation Reserve £'000	Merger Reserve £'000	Retained Earnings £'000	Total £'000	NCI £'000	Total Equity £'000
Balance at 1 January 2019	**6,736**	**11,868**	**38**	**737**	**2,323**	**6,773**	**28,475**	**586**	**29,061**
Distribution to owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	(74)	(74)
Share based consideration on acquisition	83	-	-	-	748	-	831	-	831
Share options not yet exercised	-	-	20	-	-	-	20	-	20
Share options exercised	-	-	(33)	-	-	33	-	-	-
Issue of share capital	30	119	-	-	-	-	149	-	149
Total contributions by and distributions to owners	**113**	**119**	**(13)**	**-**	**748**	**33**	**1,000**	**(74)**	**926**
(Loss)/Profit for the period	-	-	-	-	-	(57)	(57)	179	122
Exchange differences on foreign operations	-	-	-	21	-	-	21	4	25
Total comprehensive (Loss)/income for the period	**-**	**-**	**-**	**21**	**-**	**(57)**	**(36)**	**183**	**147**
Balance at 30 June 2019	**6,849**	**11,987**	**25**	**758**	**3,071**	**6,749**	**29,439**	**695**	**30,134**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE PERIOD TO 30 JUNE 2020

General information

The financial information included in this condensed interim statement of results does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The unaudited accounts for the six month period ended 30 June 2020 have been prepared on a consistent basis and using the same accounting policies as those adopted in the financial statements for Xpediator PLC for the year ended 31 December 2019, except as noted below for new standards adopted. The statutory accounts of Xpediator PLC for the year ended 31 December 2019 are available on the Xpediator Plc website, www.xpediator.com. The auditors reported on those accounts: their report was unqualified and did not draw attention to any matters by way of emphasis.

Basis of preparation

Xpediator Plc (the 'Company') is a company incorporated in England. The consolidated condensed interim financial statements of the Company for the six month period ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the 'Group'). The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They are unaudited but have been reviewed by the Company's auditor and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2019.

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Merger accounting

On 25 May 2017, Xpediator entered into a share swap agreement with the ultimate beneficiaries of Delamode Group Holdings Limited, whereby 4,000,000 new ordinary shares of £1.00 each were issued to the ultimate beneficiaries of the Delamode Group Holdings Limited in exchange for their shares in Delamode Group Holdings Limited in the same proportion as their shareholding in Delamode Group Holdings Limited. The merger method of accounting is used to consolidate the results of Xpediator and Delamode Group Holdings Limited and subsidiaries.

Accounting policies

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

The principal accounting policies adopted in the preparation of the condensed interim financial information are unchanged from those applied in the company's financial statements for the year ended 31 December 2019. The accounting policies applied herein are consistent with those expected to be applied in the financial statements for the year ended 31 December 2020.

Leased Assets

For contracts entered into on or after 1 January 2019, the Group assesses at inception whether the contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes

whether:
• the contract involves the use of an identified asset;
• the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
• the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the individual entities incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability.

The incremental borrowing rate is calculated on a lease by lease basis. The weighted average lessee's borrowing rate applied to the lease liabilities was 3.42%.

Depreciation is calculated on a straight-line basis over the length of the lease. The Group has elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease. Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the statement of financial position in current liabilities and non-current liabilities depending on the maturity of the lease payments.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This has replaced the previous requirements to recognise a provision for onerous lease contracts.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the profit or loss. Short term leases are leases with a lease term of 12 months or less.

Going concern

The Directors have concluded that it is appropriate that the financial statements have been prepared on a going concern basis given the cash balances as at 30 June 2020, and funding facilities in place across the group, which it does not envisage will be withdrawn thus there are sufficient funds available to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

The directors believe that based on the current budgets and forecast cash flows, there is sufficient resources to meet its liabilities as they fall due.

1) Turnover analysis by Country & Segment

	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
United Kingdom	36,204	42,844	89,701
Lithuania	29,388	27,035	55,849
Romania	15,153	16,077	33,189
Bulgaria	12,135	10,140	21,819
Other	6,757	6,280	12,689
Total Income	**99,637**	**102,376**	**213,247**

	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
Freight Forwarding			
United Kingdom	25,770	27,821	58,218
Romania	5,016	6,253	12,558
Lithuania	29,388	27,035	55,849
Bulgaria	12,135	10,140	21,819
Other	6,088	5,465	11,144
Total Income Freight Forwarding	**78,397**	**76,714**	**159,588**
Logistics & Warehousing			
United Kingdom	10,434	15,023	31,483
Romania	8,313	7,529	16,009
Total Income Logistics & Warehousing	**18,747**	**22,552**	**47,492**
Transport Solutions			
Romania	1,824	2,295	4,622
Other	669	815	1,545
Total Income Transport Solutions	**2,493**	**3,110**	**6,167**
Total Income	**99,637**	**102,376**	**213,247**

2) Segmental Analysis

Types of services from which each reportable segment derives its revenues

During the period, the Group had three main divisions: Freight Forwarding, Logistics & Warehousing and Transport Solutions. All revenue is derived from the provision of services.

- Freight Forwarding - This division is the core business and relates to the movement of freight goods across Europe. This division accounts for the largest proportion of the Group's business, generating 78.7% of its external revenues contributed in 2020 (H1 2019: 74.9%)
- Logistics & Warehousing - This division provides warehousing and domestic distribution and generated 18.8% of the Group's external revenues in 2020 (H1 2019: 22.1%).
- Transport Solutions - This division focuses on the reselling of DKV fuel cards, leasing, ferry crossings and other associated transport related solutions. This division accounts for 2.5% of the Group's business in terms of revenue (H1 2019: 3.0%)

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team comprising the Divisional CEOs, the Chief Executive Officer and the Chief Financial Officer.

No single customer accounted for more than 10% of the Group’s total revenue.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS.

Inter-segment sales are priced at market rates and on an arm’s length basis, along the same lines as sales to external customers. This policy was applied consistently throughout the current and prior period.

Segmental Analysis for the period to 30 June 2020	Freight Forwarding	Logistics & Warehousing	Transport Solutions	Unallocated	Total
	2020	2020	2020	2020	2020
	£'000	£'000	£'000	£'000	£'000
Gross billings	78,397	19,116	58,395	-	**155,908**
Less recoverable disbursements	-	-	(55,902)	-	**(55,902)**
Total revenue	78,397	19,116	2,493	-	**100,006**
Inter-segmental revenue	-	(369)	-	-	**(369)**
Total revenue from external customers	**78,397**	**18,747**	**2,493**	**-**	**99,637**
Depreciation & amortisation (excluding right-of-use assets depreciation)	(514)	(719)	(24)	(21)	**(1,278)**
Segment Profit before central overhead allocation (excluding exceptional items)	**2,648**	**617**	**891**	**(2,389)**	**1,767**
Allocation of central overheads	(642)	(145)	(25)	812	-
Segment Profit after central overhead allocation (excluding exceptional items)	**2,006**	**472**	**866**	**(1,577)**	**1,767**
Net finance costs					**(765)**
Exceptional items					**(700)**
Profit before income tax					**302**

Segmental Analysis for the period to 30 June 2019	Freight Forwarding	Logistics & Warehousing	Transport Solutions	Unallocated	Total
	2019	2019	2019	2019	2019
	£'000	£'000	£'000	£'000	£'000
Gross billings	76,714	22,921	71,355	-	**170,990**
Less recoverable disbursements	-	-	(68,245)		**(68,245)**
Total revenue	76,714	22,921	3,110	-	**102,745**
Inter-segmental revenue	-	(369)	-	-	**(369)**
Total revenue from external customers	76,714	22,552	3,110	-	**102,376**
Depreciation & amortisation (excluding right-of-use asset depreciation)	(433)	(779)	(21)	(16)	**(1,249)**
Segment Profit (excluding exceptional items)	**1,396**	**1,163**	**1,262**	**(2,048)**	**1,773**

Share of equity based associate	**(74)**
Net finance costs	**(767)**
Exceptional items	**(705)**
Profit before income tax	**227**

Segmental Analysis for the year to 31 December 2019	**Freight Forwarding**	**Logistics & Warehousing**	**Transport Solutions**	**Unallocated**	**Total**
	2019	**2019**	**2019**	**2019**	**2019**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Gross billings	159,588	48,239	142,294	-	350,121
Less recoverable disbursements	-	-	(136,127)	-	(136,127)
Total revenue	159,588	48,239	6,167	-	213,994
Inter-segmental revenue	-	(747)	-	-	(747)
Total revenue from external customers	**159,588**	**47,492**	**6,167**	**-**	**213,247**
Depreciation & amortisation (excluding right-of-use asset depreciation)	(1,326)	(1,149)	(45)	(102)	(2,622)
Segment Profit before central overhead allocation (excluding exceptional items)	**3,447**	**2,889**	**2,534**	**(4,186)**	**4,684**
Allocation of central overheads	(1,120)	(301)	(47)	1,468	-
Segment Profit after central overhead allocation (excluding exceptional items)	**2,327**	**2,588**	**2,487**	**(2,718)**	**4,684**
Share of loss of equity accounted associate					(60)
Net finance costs					(1,593)
Exceptional items					(856)
Profit before income tax					**2,175**

3) Earnings per share

	Unaudited 6 months to 30 June 2020 £000[4]	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
Weighted average number of shares - basic	136,867	134,282	135,147
Weighted average number of shares – diluted	136,867	135,584	135,845
(Loss)/Profit for the period attributable to equity holders of the company	(346)	(57)	810
Profit for the period attributable to equity holders of the company excluding exceptional, non trading and certain one-off items (see note 12)	1,412	1,680	3,786
(Loss)/Earnings per share - basic (pence)	(0.25)	(0.04)	0.60
(Loss)/Earnings per share – diluted (pence)	(0.25)	(0.04)	0.60
Adjusted basic earnings per share (pence) (excluding exceptional items)*	1.03	1.25	2.80
Adjusted diluted earnings per share (pence) (excluding exceptional items)*	1.03	1.24	2.79

*Earnings per share adjusted for exceptional, non-trading and certain one-off costs (see note 12)

[4] All numbers presented as £000's except number of shares (presented as actual thousands) and Earnings per share (presented as pence)

4) Dividends

The directors are declaring an interim dividend of 0.45pence (H1 2019: 0.28 pence) per share totalling £637,000 (H1 2019: £381,000). The dividend will be payable to shareholders on the register on 16 October 2020 with the ex div date being 15 October 2020 The dividend will be paid on 30 October 2020.

5) Intangible Asset

For the period from 1 January 2020 to 30 June 2020 (unaudited)	Customer related	Licences	Goodwill	Technology Related	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2020	**12,057**	**3,248**	**14,166**	**510**	**29,981**
Acquisitions	-	355	-	-	355
Acquired through business combinations	-	-	155	-	155
Disposals	-	(155)	-	-	(155)
Exchange differences	-	256	-	-	256
At 30 June 2020	**12,057**	**3,704**	**14,321**	**510**	**30,592**
Amortisation/Impairment					
At 1 January 2020	2,620	660	1,845	150	5,275
Amortisation for the period	676	152	-	50	878
Eliminated on disposal	-	(154)	-	-	(154)
Exchange differences	-	20	-	-	20
At 30 June 2020	**3,296**	**678**	**1,845**	**200**	**6,019**
Net Book Value at 30 June 2020	**8,761**	**3,026**	**12,476**	**310**	**24,573**

For the period from 1 January 2019 to 30 June 2019 (unaudited)	Customer related	Licences	Goodwill	Technology Related	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2019	**12,057**	**2,871**	**13,176**	**510**	**28,614**
Additions	-	300	-	-	300
Fair value adjustments	-	-	990	-	990
Disposals	-	(1)	-	-	(1)
Exchange differences	-	14	-	-	14
At 30 June 2019	**12,057**	**3,184**	**14,166**	**510**	**29,917**
Amortisation/Impairment					
At 1 January 2019	1,315	498	1,845	48	3,706
Amortisation for the period	627	91	-	49	767
Eliminated on disposal	-	(1)	-	-	(1)
Exchange differences	-	(20)	-	-	(20)
At 30 June 2019	**1,942**	**568**	**1,845**	**97**	**4,452**
Net Book Value at 30 June 2019	**10,115**	**2,616**	**12,321**	**413**	**25,465**

For the period from 1 January 2019 to 31 December 2019 (audited)	Customer Related	Licences	Goodwill	Technology Related	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2019	**12,057**	**2,871**	**13,176**	**510**	**28,614**
Additions	-	498	-	-	498
Fair Value Adjustments	-	-	990	-	990
Disposals	-	(26)	-	-	(26)
Exchange differences	-	(95)	-	-	(95)
At 31 December 2019	**12,057**	**3,248**	**14,166**	**510**	**29,981**
Amortisation/Impairment					
At 1 January 2019	1,315	498	1,845	48	3,706
Amortisation for the period	1,305	180	-	102	1,587
Disposals	-	(1)	-	-	(1)
Exchange differences	-	(17)	-	-	(17)
At 31 December 2019	**2,620**	**660**	**1,845**	**150**	**5,275**
Net Book Value at 31 December 2019	**9,437**	**2,588**	**12,321**	**360**	**24,706**

The goodwill included in the above note, relates to the acquisitions of Pallet Express Srl in January 2016, Easy Managed Transport in March 2017, Benfleet Forwarding Limited in October 2017, Regional Express Limited in November 2017, Anglia Forwarding Group Limited in June 2018 , Import Services Limited in July 2018 and International Cargo Centre in January 2020. This is the total value of intangible assets with an indefinite useful life allocated to each respective cash generating unit.

6) Property, plant and equipment

For the period from 1 January 2020 to 30 June 2020 (unaudited)	Freehold Property £000	Fixtures, fittings and equipment £000	Motor Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 January 2020	269	2,330	759	2,335	**5,693**
Additions	14	168	46	122	**350**
Disposals	-	(11)	(9)	(14)	**(34)**
Exchange differences	(9)	41	34	37	**103**
At 30 June 2020	**274**	**2,528**	**830**	**2,480**	**6,112**
Depreciation					
At 1 January 2020	60	1,078	594	1,445	3,177
Charge for the period	21	199	11	169	400
Eliminated on disposal	-	(11)	(9)	(14)	(34)
Exchange differences	40	21	17	20	98
At 30 June 2020	**121**	**1,287**	**613**	**1,620**	**3,641**
Net book value 30 June 2020	**153**	**1,241**	**217**	**860**	**2,471**

For the period from 1 January 2019 to 30 June 2019 (unaudited)	Freehold Property £000	Fixtures, fittings and equipment £000	Motor Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 January 2019	204	1,895	895	1,919	4,913
Additions	6	477	97	286	866
Disposals	-	(27)	(33)	(28)	(88)
Exchange differences	(2)	(53)	(8)	(9)	(72)
At 30 June 2019	**208**	**2,292**	**951**	**2,168**	**5,619**
Depreciation					
At 1 January 2019	22	771	567	1,198	2,558
Charge for the period	16	222	57	187	482
Eliminated on disposal	-	(21)	(32)	(8)	(61)
Exchange differences	-	49	8	(53)	4
At 30 June 2019	**38**	**1,021**	**600**	**1,324**	**2,983**
Net book value 30 June 2019	**170**	**1,271**	**351**	**844**	**2,636**

For the period from 1 January 2019 to 31 December 2019 (audited)	**Freehold Property**	**Fixtures, fittings and equipment**	**Motor Equipment**	**Computer Equipment**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Cost					
At 1 January 2019	204	1,895	795	1,919	4,813
Additions	75	707	80	459	1,321
Disposals	-	(218)	(88)	(60)	(366)
Exchange differences	(10)	(54)	(28)	17	(75)
At 31 December 2019	**269**	**2,330**	**759**	**2,335**	**5,693**
Depreciation					
At 1 January 2019	22	771	567	1,198	2,558
Charge for the period	38	536	131	330	1,035
Eliminated on disposal	-	(215)	(85)	(60)	(360)
Exchange differences	-	(14)	(19)	(23)	(56)
At 31 December 2019	**60**	**1,078**	**594**	**1,445**	**3,177**
Net book value 31 December 2019	**209**	**1,252**	**165**	**890**	**2,516**

7) Right-of-use Assets

For the period from 1 January 2020 to 30 June 2020 (unaudited)	**Property Premises**	**Equipment**	**Total**
	£000	**£000**	**£000**
Cost			
At 1 January 2020	32,143	1,197	33,340
Additions	93	506	599
Disposals	-	(6)	(6)
Translation	640	25	665
At 30 June 2020	32,876	1,722	34,598
Depreciation			
At 1 January 2020	5,623	332	5,955
Charge for the period	3,042	227	3,269
Eliminated on disposal	-	(2)	(2)
Revaluations	98	(6)	92
At 30 June 2020	8,763	551	9,314
Net book value			
At 30 June 2020	24,113	1,171	25,284

For the period from 1 January 2019 to 30 June 2019 (unaudited)	Property Premises £000	Equipment £000	Total £000
Cost			
At 1 January 2019	30,205	819	31,024
Additions	1,687	40	1,727
At 30 June 2019	31,892	859	32,751
Depreciation			
At 1 January 2019	-	-	-
Charge for the period	2,770	123	2,893
At 30 June 2019	2,770	123	2,893
Net book value			
At 30 June 2019	29,122	736	29,858

For the period from 1 January 2019 to 31 December 2019 (audited)	Property Premises £000	Equipment £000	Total £000
Cost			
At 1 January 2019	30,205	819	31,024
Additions	1,938	378	2,316
At 31 December 2019	32,143	1,197	33,340
Depreciation			
At 1 January 2019	-	-	-
Charge for the period	5,623	332	5,955
At 31 December 2019	5,623	332	5,955
Net book value			
At 31 December 2019	26,520	865	27,385

8) Share Capital

	Unaudited 30 June 2020	Unaudited 30 June 2019	Audited 31 December 2019
	£000	£000	£000
Allotted, issued and fully paid			
Ordinary shares of £0.05p each	141,633	135,994	136,084
Ordinary shares of £0.05p each	7,081	6,799	6,804
Deferred Shares of £1 each	50	50	50
Total Share Capital	7,131	6,849	6,854

The deferred shares are non-voting shares and have no rights to any distribution or dividend payments.

9) Non-Controlling Interests

Non-Controlling interests held in the group are as follows:

	Unaudited 30 June 2020	Unaudited 30 June 2019	Audited 31 December 2019
Delamode Baltics UAB	20.0%	20.0%	20.0%
Delamode Estonia OÜ	20.0%	20.0%	20.0%
Delamode Bulgaria EOOD	10.0%	10.0%	10.0%
Delamode Service Financare IFN	0.05%	0.05%	0.05%
Delamode Distribution UK Limited	49.0%	49.0%	49.0%

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10) Loans

	Unaudited 30 June 2020 £000	Unaudited 30 June 2019 £000	Audited 31 December 2019 £000
Current;			
Bank Loans & Invoicing Discount Facility	4,122	3,111	2,723
Other Loans;			
Loans 1- 2 years	340	355	365
Loans 2- 5 years	1,135	1,053	1,107
Loans due after five years repayable by instalments	599	1,055	803
Total Loans due after one year	2,074	2,463	2,275

Bank loans and overdrafts are secured by a fixed and floating charge over the Group's assets.

11) Leases

	Unaudited 30 June 2020 £000	Unaudited 30 June 2019 £000	Audited 31 December 2019 £000
Current;			
Current Balances	6,472	6,151	6,392
Other Loans;			
Leases 1- 2 years	5,774	6,056	5,575
Leases 2- 5 years	12,080	15,241	13,825
Leases due after five years repayable by instalments	1,886	2,881	2,135
Total Leases due after one year	19,740	24,178	21,535

12) Exceptional Costs

The Group incurred non-recurring costs totalling £700,000 (H1 2019: £705,000) due to £893,000 (H1 2019: £nil) redundancy and restructuring, Anglia deferred consideration £(244,000) (H1 2019: £304,000), closure of the Buzzbrand business £51,000 (H1 2019: £Nil), aborted acquisition of Intereuropa DD £Nil (H1 2019: £186,000), and additional deferred consideration due on the Regional Express acquisition £Nil (H1 2019: £215,000).

Adjusted earnings per share has been calculated as follows:-

	Unaudited 6 months to 30 June 2020 £000	Unaudited 6 months to 30 June 2019 £000	Audited Year to 31 December 2019 £000
(Loss) / Profit for the period attributable to the owners of the parent	(346)	(57)	810
Exceptional costs	700	705	856
Amortisation relating to acquisitions	726	676	1,407
Non-cash interest	161	184	346
Discount on deferred consideration	-	(26)	(52)
Additional IFRS 16 interest charge	171	198	419
Adjusted Profit for the period	1,412	1,680	3,786

13) Business Combinations

On 1 January 2020, the Group obtained operational and management control of International Cargo Centre Limited (ICC) and as a result this has been accounted for as a Business Combination on 1 January 2020 under the definition of IFRS 3 "Business Combinations". **Goodwill**

When determining the goodwill arising on the acquisition, the following calculations were used.

Purchase Consideration	£'000
Consideration	-
Assets Acquired	
Current Assets	300
Non-Current Assets	18
Current Liabilities	(705)
Non-controlling interests	232
Goodwill	155

The goodwill recognised will not be deductible for tax purposes.

On 30 April 2020, the Group acquired the remaining 60% of the issued share capital of International Cargo Centre (ICC) Limited, having acquired the original 40% on 4 June 2018.

INDEPENDENT REVIEW REPORT TO XPEDIATOR PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The condensed interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the condensed interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of the condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditors
London
United Kingdom
14 September 2020