

Investor Presentation

Preliminary Results to 31 December 2014

Philip Swinstead

Paul Davies

Andy Law

Group Executive Chairman

Chairman – Parity Professionals

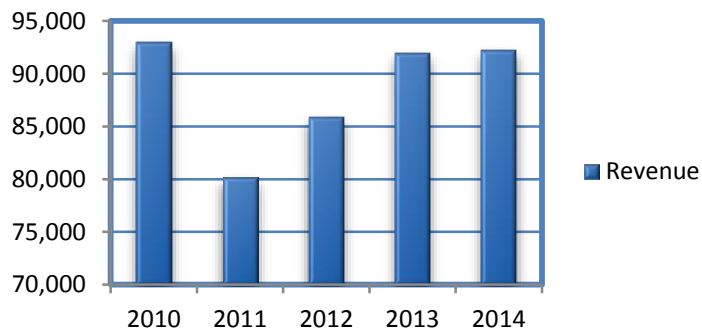
Chairman – SuperCommunications

Apologies from Alastair Woolley, Finance Director who is unwell

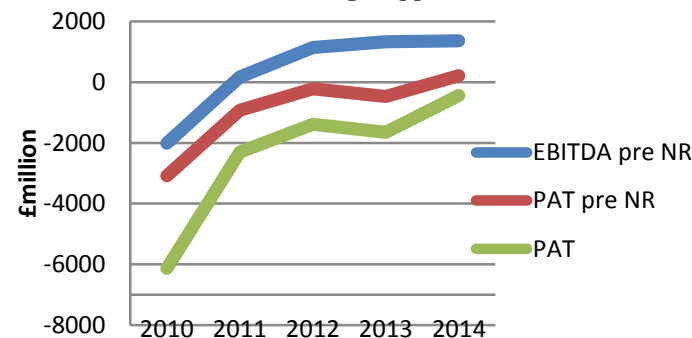
PARITY GROUP PLC

	2010	2011	2012	2013	2014
Revenue	92,963	80,142	85,887	91,949	92,264
Divisional EBITDA	4,549	5,829	6,220	3,492	3,174
Group costs	(6,525)	(5,473)	(4,949)	(2,039)	(1,570)
Adjusted EBITDA	(1,976)	356	1,271	1,453	1,604
Share based payment	(30)	(177)	(124)	(120)	(242)
Non-recurring costs	(2,138)	(1,437)	(1,350)	(1,600)	(814)
EBITDA from continuing operations	(4,144)	(1,258)	(203)	(267)	548
Depreciation	(636)	(537)	(497)	(271)	(477)
Finance costs net of income	(463)	(354)	(366)	(411)	(479)
Tax charge	20	(92)	(349)	(743)	(25)
Profit/ (Loss) after tax from continuing activities	(5,223)	(2,241)	(1,415)	(1,692)	(433)
Discontinued operations	(911)	(58)	26	41	(5)
Profit/ (Loss) after tax	(6,134)	(2,299)	(1,389)	(1,651)	(438)

Revenue



Profits



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Income Statement

Slide 3

- Revenue remained stable
- Divisional EBITDA reduced in SuperCommunications by investment in:
 - New management appointments
 - Inition refocussing and research
 - GroupSeer search technology
 - Costs moved from Group
 - Golden Square losses
- Non-recurring costs halved as restructuring ends, being mostly –
 - Restructuring and management changes
 - Lower level transaction costs
- EBITDA from continuing operations positive for first time since 2009.

	2014 £000	2013 £000
Revenue	92,264	91,949
Divisional EBITDA	3,174	3,492
Group costs	(1,570)	(2,039)
EBITDA before SBP and non-recurring costs	1,604	1,453
Share based payment	(242)	(120)
Non-recurring costs	(814)	(1,600)
EBITDA from continuing operations	548	(267)
Depreciation	(477)	(271)
Finance costs net of income	(479)	(411)
Tax charge	(25)	(743)
Profit/ (Loss) after tax	(433)	(1,692)

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Balance Sheet

Slide 4

- Intangible assets rise due to investment in systems across both divisions and in IP in Inition and GroupSeer
- Tangibles increase due to additional technology assets
- Net debt increased due to –
 - outflows to pension fund
 - final unused property payments
 - final Inition earnout
 - Golden Square purchase
- High level of creditors at 2013 year end for specific reasons
- Provisions significantly reduced as a large legacy property is now closed and settled.

	2014 £000	2013 £000
Intangible assets	9,307	8,459
Tangible assets	602	334
Deferred tax	536	552
Trade and other receivables	15,551	16,379
Cash and cash equivalents	2,974	7,376
Asset based lending	(9,559)	(9,909)
Trade and other payables	(8,337)	(10,387)
Provisions	(82)	(973)
Retirement plan liability	(2,101)	(2,170)
Net Assets	8,891	9,661

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Parity Group divisions today

Slide 5

Parity Professionals

“Sourcing, Development and Placement of Professional Staff”

- Revised strategic plan aids margin increase
- Revenues increase slowly due to emphasis on margin

	2014 £000	2013 £000
Revenue	84,466	83,711
Divisional EBITDA	2,491	2,382
Margin	2.95%	2.84%

SuperCommunications, launched May 2014

“Transforming businesses to compete in the digital world”

- Senior Management appointments ready for future growth
- Internal re-organisation with new management structure
- Inition made significant investments in product development.
- Solutions IT market revenues reduce slightly as forecast; but now marketing positively into e-commerce market.
- Golden Square now restructured and integrated into Inition.

TechLab

- **GroupSeer** successfully completes large scale trial

	2014 £000	2013 £000
Revenue	7,798	8,238
Divisional EBITDA	683	1,110
Margin	8.76%	13.47%

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Parity Professionals - Highlights

Slide 6

RESOURCES

- Average contractors now stand at over 900
- Permanent recruitment sales increased 30% over 2014
- 79 new clients with active clients now over 200
- Resources as a Service offering wins first Scottish government client; planned to extend through 2016

TALENT MANAGENT

- FastStream and INTRO services extended to at least end 2015
- Expansion in GB drives revenues up 10% and business contribution up 22%
- Development as a Service expands with ABF to include gender diversity programme
- Strong pipeline entering 2015

PARITY PROFESSIONALS

- Strategic investment programme continues into 2015
- Internal training and PR now completed for full launch of Parity Professionals propositions –
 - Source
 - Develop
 - Transform
- New Finance and CRM systems now fully operational –
 - Improving efficiency
 - Improving intelligence on clients
 - Aiding cross selling opportunities within the division

Parity Professionals - Strategy for Enhanced Organic Growth

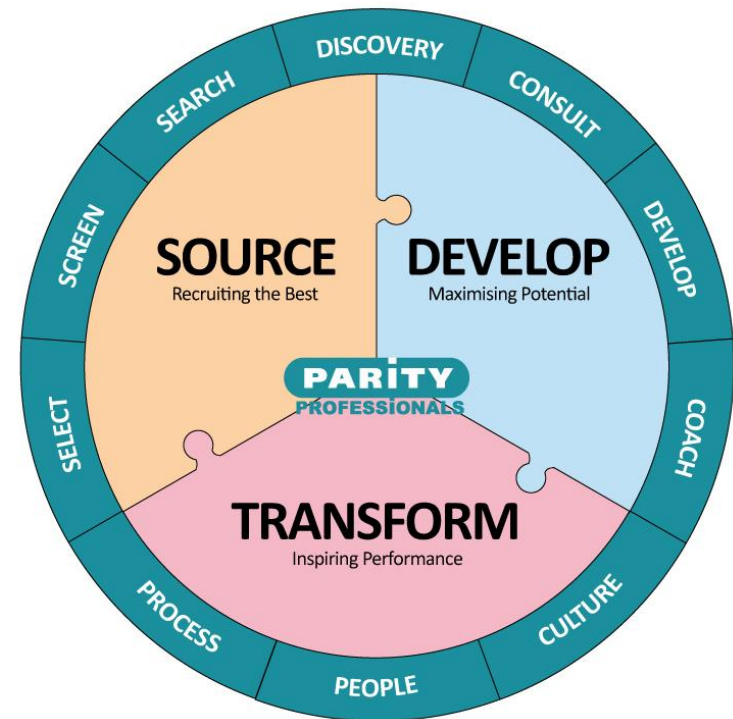
Slide 7

In our 2014 Interims presentation we identified the following strategic objectives:

- Move away from 'me too' low margin business; particularly through some gatekeepers
- Consultancy led initiatives e.g. Open Water, Agile Contract Management
- Establish a range of 'Product' offerings e.g. INTRO; RAAS

As a result our 2015 Budget allows for investment in the following:

- Additional Resources Contract Team
- Additional Resources Permanent Recruitment
- Additional Talent Management Delivery
- Enhanced consultancy capability

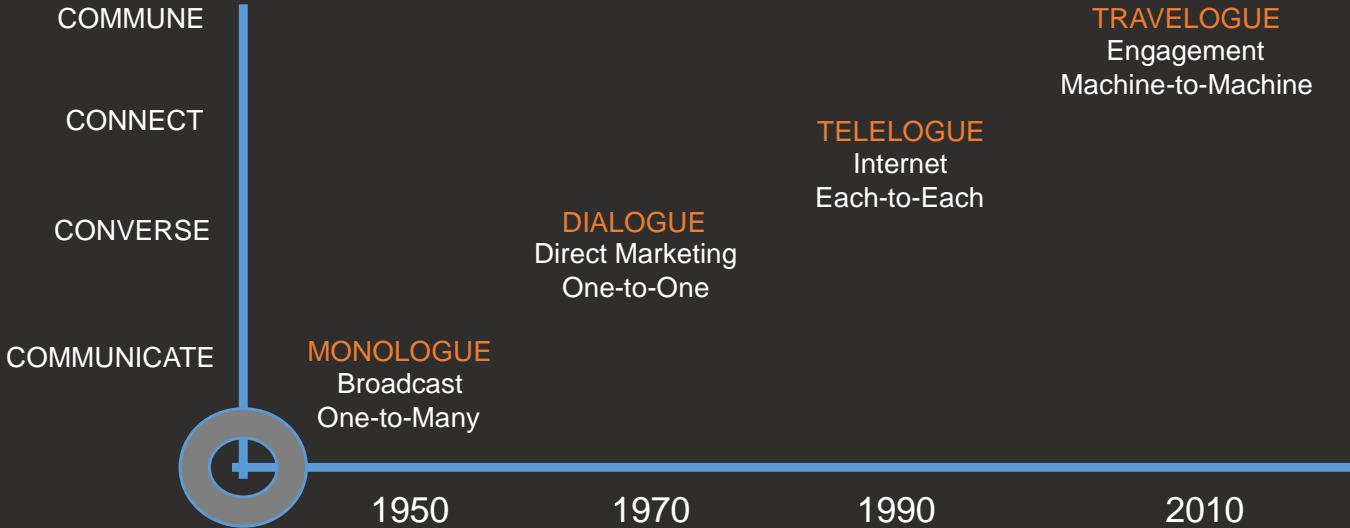


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SuperCommunications – “Technology is the new Communicator”

Slide 8

COMMUNICATING WITH DATA



SUPERCOMMUNICATIONS

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SuperCommunications Division

Slide 9

SUPERCOMMUNICATIONS – Chairman Andy Law joins full time April 2014

- New strategies and management appointments across division

CONSULTANCY – Transforming businesses into Tech brands

- Principal consultant recruited and methodology IP prepared
- First scoping project completed and marketing of consultancy services started in Q4
- First follow-up IT development and e-commerce optimisation project quoted

INITION – Augmented and Virtual Reality solutions - experts on Oculus Rift goggle applications

- Major R&D effort to prepare scalable solutions; reduces revenues and contribution
- Business re-focussed on AR and VR; now under new MD and winning good business
- Over 50 experiential projects completed in the year
- VR Goggle solution at TopShop wins Project of the Year; next application - Westfield

SOLUTIONS – IT development skills - specialising in BI, portals and large data bases

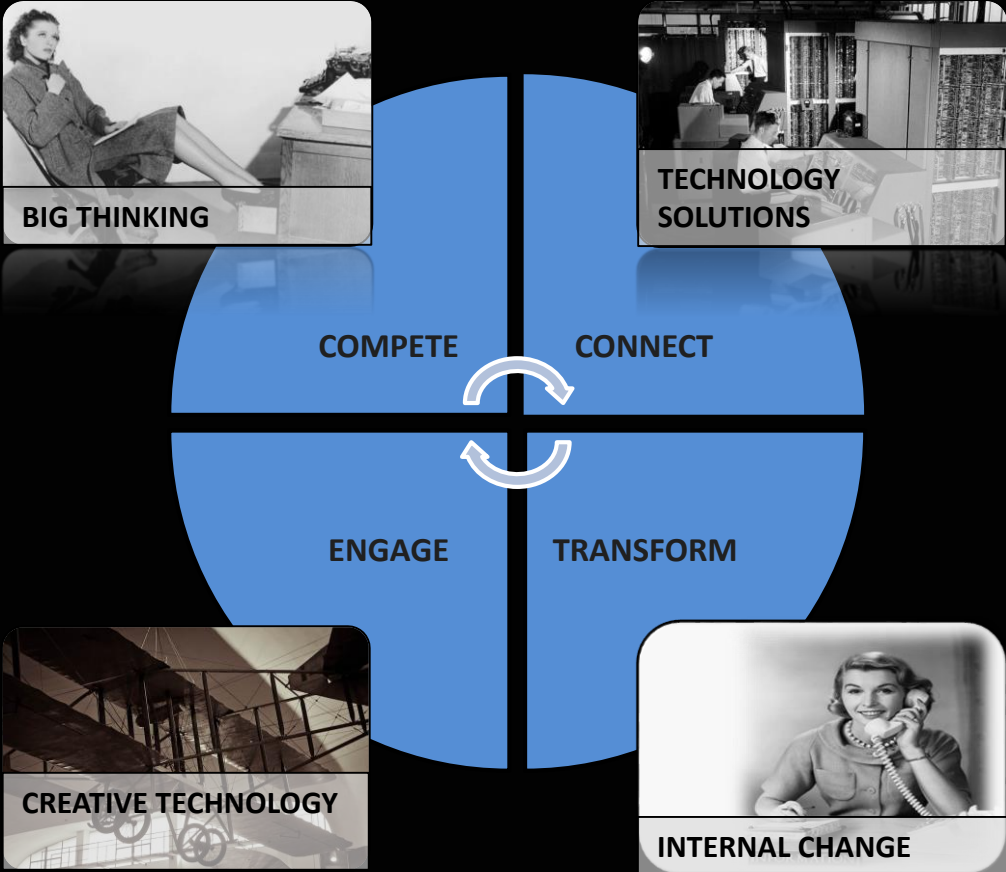
- Revenues down slightly as forecast; but contribution up
- Framework agreement won for major long term customer BAT
- Stable business under new MD now starting bidding e-commerce work

GroupSeer – Big Data market segmentation engine; using social media network connectivity

- Successful trials on 300m tweets from 250,000 users
- Appointing large brand partner

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SuperCommunications – what we deliver



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Summary

Slide 11

Parity Group Today

Two exciting independent divisions with innovative offerings
Both are now stable, profitable, and looking to cash generation and growth
Legacy issues now closed off (e.g. empty offices; restructuring).
Divisional management, marketing plans, structure and processes all in place
Looking to 2015 for both strategic and financial progress

Parity Professionals

“Sourcing, Development and Placement of Professional Staff”
Solid performance as it migrates its agency business to higher margins
Customer base continues to expand
Established strong management team
Parity Professionals now an integrated business

SuperCommunications

“Transforming businesses to compete in the digital world”
Strong management team in place
Marketing gearing up in 2015 with first consultancy client in place
Initiation demonstrating scaleability in AR and VR solutions
IT Solutions looking to expand for first time in years

GroupSeer

Unique search IP relevant to all major brands for online market segmentation
Choosing a large brand partner as reference client

**With two independent profitable divisions
WE NOW CAN CONCENTRATE ON DELIVERING VALUE TO SHAREHOLDERS**