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15 November 2022

BRAEMAR PLC

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

Unaudited interim results for the six months ended 31 August 2022

Continued strong trading, materially ahead of original expectations

Braemar Plc (LSE: BMS), a provider of expert investment, chartering, and risk management advice to the shipping and energy markets, today announces its unaudited half-year results for the six months ended 31 August 2022.

Braemar continues to benefit from the increased scale and breadth of its broking operations which have achieved significantly higher trading activity and transaction volumes during the period.

HIGHLIGHTS

- Continued execution of our Shipbroking-focused growth strategy.
- Operational gearing contributes to 95% increase in underlying operating profit on 46% revenue growth.
- Financial results materially ahead of expectations at the start of the year.
- 46% increase in reported revenue to £69.4m (H1 FY21/22: £47.4m), with an estimated 36% growth when measured in constant currency.
- 95% increase in underlying operating profit to £10.9m (H1 FY21/22: £5.6m), including an estimated benefit of £3m from favourable foreign exchange rates.
- Operational cash flow up 220% to £12.3m (H1 FY21/22: £3.8m).
- Balance sheet strengthened – net cash at bank position of £1.8m at 31 August 2022 compared to net bank debt* of £9.3m at 28 February 2022.
- Interim dividend of 4.0 pence per share (2021: 2.0p) declared to reflect strong cashflow and confidence in the business.

FINANCIAL HIGHLIGHTS

Revenue	**H1 FY22/23** **£m**	**H1 FY21/22** **£m**	**Change** **%**
Investment advisory	16.3m	15.0m	9%
Chartering	44.9m	26.8m	68%
Risk advisory	8.2m	5.6m	46%
Total in Sterling	**£69.4m**	**£47.4m**	**46%**
Total in US Dollars	**$88.1m**	**$65.0m**	**36%**

Profit, EPS & Dividend	Underlying results** H1 FY22/23 £m	H1 FY21/22 £m	Reported results*** H1 FY22/23 £m	H1 FY21/22 £m
Operating profit	10.9m	5.6m	10.5m	5.4m
Profit before tax	10.5m	4.9m	10.1m	4.8m
Earnings per share	31.8p	17.6p	30.2p	22.3p
Dividend per share	4.0p	2.0p	4.0p	2.0p

* Net bank debt includes cash and the Group's revolving credit facility but excludes acquisition liabilities and IFRS 16 lease liabilities.

** Underlying results measures above are before non-recurring specific items, including acquisition and disposal-related charges and profit/loss from discontinued operations.

*** Reported results are from continuing operations only, comparatives have been re-presented in relation to prior period adjustments. See Note 21.

OUTLOOK

The outlook for the Group remains very positive and the board looks forward to the second half of the year with a high degree of confidence in the ongoing execution of its growth strategy. The simplification of the business means that we can focus on supporting our clients through our strengths and experience. Despite the macro-economic backdrop, Braemar's growing scale provides diversification across the shipping industry, and we are well set up for continued investment to deliver growth throughout the business cycle.

James Gundy said:

"It's clear that we've unlocked great potential through our growth strategy, are delivering the performance that I promised our shareholders on my appointment in January 2021 and are well on track to double our profits by 2024. Our growing scale and sectoral diversification mean we are also set for strong performance throughout the business cycle."

Results briefing

A presentation for analysts will be held at 10.30am today via conference call. Please contact the team at Buchanan for details on braemar@buchanan.uk.com.

A copy of the presentation and call recording will be made available on the Investor Relations section of Braemar's website after noon today: https://braemar.com/investors/.

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Notes to Editors:

About Braemar Plc

Braemar provides expert advice in investment, chartering, and risk management to enable its clients to secure sustainable returns and mitigate risk in the volatile world of shipping and energy. Our experienced brokers work in tandem with specialist professionals to form teams tailored to our customers' needs, and provide an integrated service supported by a collaborative culture.

For more information, including our investor presentation, please visit www.braemar.com and follow Braemar on LinkedIn.

Reconciliation of underlying operating profit to reported operating profit

	H1 FY22/23 £m	**H1 FY21/22 (restated) £m**
Underlying operating profit	10.9	5.6
Specific items	(0.4)	(0.2)
Reported operating profit	10.5	5.4

Alternative Performance Measures ("APM"s)

Braemar uses APMs as key financial indicators to assess the underlying performance of the Group. Management considers the APMs used by the Group to better reflect business performance and provide more useful information to investors and other interested parties. Our APMs include underlying operating profit, underlying profit before tax, underlying earnings per share and net debt.

Explanations of these terms and their calculation are shown in the summary above and in detail in our Financial Review.

This document contains forward-looking statements, including statements regarding the intentions, beliefs or current expectations of our directors, officers and employees concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the business. These statements are based on current expectations and assumptions and only relate to the date on which they are made. They should be treated with caution due to the inherent risks, uncertainties and assumptions underlying any such forward-looking information. The Group cautions investors that a number of factors, including matters referred to in this document, could cause actual results to differ materially from those expressed or implied in any forward-looking statement, including general business and economic conditions globally, industry trends, competition, changes in government and other regulation and policy, interest rates and currency fluctuations, and political and economic uncertainty (including as a result of global pandemics). Neither the Group, nor any of the directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Undue reliance should not be placed on these forward-looking statements. Other than in accordance with our legal and regulatory obligations, the Group undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

CHAIRMAN'S STATEMENT

I'm delighted by the performance of the Group in the first six months of the new financial year, a period in which we have continued to execute our Shipbroking-focused growth strategy, whilst also delivering financial results materially above our expectations at the start of the year.

During the previous financial year, the board successfully streamlined the business: loss making operations were closed, non-core assets sold and net debt materially reduced. Braemar was able, as a result, to start the new financial year in a much better financial and operating position than it has been able to for some while. The Group is now a sectorally diverse, resilient business focused entirely on its core competency and without the baggage of the past. With 14 offices across the globe, operating in 11 countries and covering all the major shipping markets, the business is lean, focused, well-insulated from market movements in any one specific market sector, geography, or economy, and is starting to benefit from the operational gearing from its growing scale.

It is the combination of our clear focus, increased scale and streamlined business, operating within our diverse and resilient business model against a global economic backdrop of inflation, geopolitical tension and rising negative sentiment that has yielded such strong financial results. For the six months ended 31 August 2022, revenue increased by 46% to £69.4m (2021: £47.4m). Of the 46%, an estimated 36% was due to increased revenue in constant currency terms and an estimated 10% was due to exchange rate movements between the US Dollar and Sterling. Underlying operating profit increased by 95% to £10.9m (2021: £5.6m) and underlying basic earnings per share increased by 81% to 31.8p (2021 restated: 17.6p). The Group's balance sheet is also now a source of financial strength allowing us to position ourselves for the strategic growth opportunities that lie ahead.

The outlook for the Group remains very positive. The business continues to increase scale and shipping markets continue to show favourable demand and supply dynamics. The board therefore looks to the future with a high degree of confidence. As a result of the strong financial performance and confident outlook, I am delighted that the board has declared an interim dividend of 4.0p pence per share for the half year. The dividend will be paid on 4 January 2023 for all shares on the register at 25 November 2022.

None of this success, of course, can be achieved without the hard work and dedication of the outstanding staff at Braemar and I would like to take this opportunity to thank every member of our team for their hard work, dedication, and commitment to the business. The drive, focus, and enthusiasm of our staff are huge contributors to our success, and they provide me with continued optimism for Braemar's performance for the remainder of the financial year and beyond.

CHIEF EXECUTIVE OFFICER'S STATEMENT

Trading has exceeded expectations once again and I am exceptionally pleased with our performance over the last six months. It is clear that we are poised for further growth through our strategy which is now focused on Shipbroking and Corporate Finance.

Our performance was built upon the foundations of our strong FY21/22, and we are delivering the strategy which I promised to our shareholders upon my appointment in January 2021. We are well on track to double our profits by 2024, and it's clear that streamlining the business has made us more efficient and has enabled us to move into a net cash position with the bank.

We are seeing positive returns by simplifying the business and investing in our people, technology, and in our geographical reach. Braemar's growing scale provides diversification across the shipping industry, and we are set up for strong performance throughout the business cycle.

The results we're announcing today are a glowing endorsement of the calibre of our team in each of our 14 offices around the world. This could not have been achieved without their hard work and enthusiasm, and I look forward with confidence to the second half of our financial year.

OPERATING AND FINANCIAL REVIEW

As a result of the streamlined business, the disposal of Cory Brothers last year and focus on our core Shipbroking activities the Group is presenting segmental information based on a new set of reportable segments; Investment advisory, Chartering and Risk advisory:

Investment advisory	Sale and Purchase Corporate Finance
Chartering	Deep Sea Tankers Specialised Tankers Offshore Dry Cargo
Risk advisory	Securities

The Group will no longer report by the previously recognised divisional segments. See Note 4.

Investment advisory, Chartering, and Risk advisory have shown revenue growth in the period with Chartering and Risk Advisory performing particularly strongly. There was a positive impact of foreign exchange rates on these results. The strength of the US Dollar and weakness in Sterling has meant that revenues have grown by a higher percentage than they would have in constant currency as can be seen from the estimates below:

	H1 FY22/23 m	**H1 FY21/22 m**	**Change %**
Group Revenue reported in US Dollars	$88.1m	$65.0m	36%
Group Revenue reported in Sterling	£69.4m	£47.4m	46%

Revenue has risen in Sale and Purchase and on all Chartering desks, and it has been particularly strong in Deep Sea and Specialised Tankers and Dry Cargo. Fixture volumes increased in Deep Sea Tankers by 7%, in Specialised Tankers by 47%, in Dry Cargo by 1%, and in Offshore by 22%.

As at 31 August 2022, the total forward order book totalled US$55.5m, compared to US$50.0m at 28 February 2022. This represents an increase of $5.5m in the six months to 31 August 2022 and approximately US$21.1m of this will be delivered in the second half of this financial year.

Investment advisory

	H1 FY22/23 £m	**H1 FY21/22 £m**	**Change %**
Revenue	16.3m	15.0m	9%
Underlying operating profit	3.7m	4.2m	-12%

Sale and Purchase

Total revenue for Sale and Purchase in H1 FY22/23 is £13.5m, a 36% gain on H1 FY21/22. Sale and Purchase deal flow continues to be strong on the back of asset plays, fleet renewal considerations, and other individual shipowner strategies. Buyers are slowly adjusting to the new pricing norms, and for newbuildings the biggest issue going forward is finding the right berth space. The desk is receiving strong enquiries from the LNG, PCTC (Pure Car and Truck Carrier), MPP (Multipurpose), and HL (Heavylift) segments with positive sentiment growing in the Crude and Chemical Tanker sectors.

Container spot markets have seen a downward correction from all-time highs experienced in September 2021. Liner company sentiment has switched to caution and as a result, the container charter market has mirrored the downward correction in earnings.

Corporate Finance

Total revenue for Corporate Finance in H1 FY22/23 is £2.9m, a decrease of 45% on H1 FY21/22. The nature of success fees in the corporate finance business means that revenue subject to project success and timing of completion is not earned evenly over the financial year. Current activity points towards the potential for increased income in the second half of the year. The adverse variance in underlying operating profit in the Investment advisory segment is the result of the Corporate Finance business where underlying operating profit was decreased by £0.9m (56%) compared to H1FY21/22.

Chartering

	H1 FY22/23 £m	**H1 FY21/22 £m**	**Change %**
Revenue	44.9m	26.8m	68%
Underlying operating profit	6.9m	2.5m	176%

Tankers

Revenue for Deep Sea Tankers in H1 FY22/23 is £17.0m, a 93% increase on H1 FY22/23. Sanctions and related volatility have been the main drivers in the Deep Sea Tanker markets, and these factors have led to changes in oil flows and increased ton miles considerably. In response, charterers have sought time charter cover and demonstrated further appetite to commit for longer periods; a development that has been strengthened further by the limited forward order book and impending environmental regulation changes. The outlook continues to be favourable, and we expect rates to continue to remain consistent over the coming months.

Clean Tanker markets, particularly in the Middle East and Far East, are seeing multi-year highs thanks to increased demand, and the growth in ton miles due to sanctions on Russia.

Revenue for Specialised Tankers in H1 FY22/23 is £8.1m, a 59% improvement on H1 FY21/22. Specialised Tankers has benefitted from an increased market and geographical reach. Consistent product freights have boosted European small tankers and global chemicals as swing tonnage exits, they are providing a further boost for the next six months, chemical ton-miles are increasing at the same time as the tonnage supply is diminishing.

Offshore Energy Services

Revenue for Offshore Energy Services is £2.2m, a 10% enhancement on H1 FY21/22. The Oil & Gas and Renewables markets are thriving, and the Offshore Energy Services desk has experienced a continual increase in activity and revenue since the beginning of the financial year. Engineering, Procurement, and Construction (EPC) spending is estimated to be more than $70b for 2022, and it's estimated that offshore wind will see 189.1GW of capacity sanctioned over the next five years. Consequently, chartering demand will remain high for the foreseeable future. Charter rates are likely to continue increasing thanks to a dearth of newbuilding orders over the last seven years, which has, in turn, led to more activity and higher asset prices in the second-hand sale and purchase market.

Dry Cargo

Revenue for Dry Cargo is £17.6m, a 61% increase on H1 FY21/22. In the first half of the financial year, despite a post-Covid reduction in congestion increasing vessel supply, and the conflict between Russia and Ukraine reducing cargo supply, Dry Cargo has managed to maintain and in certain areas increase fixing volumes. Its client base has also grown slightly as several new companies pushed into bulk trades rather than containers. There is a limited newbuilding orderbook, especially in the Handysize fleet, and consequently the market looks positive over the next two to three years.

Risk advisory

	H1 FY22/23 £m	**H1 FY21/22 £m**	**Change %**
Revenue	8.2m	5.6m	46%
Underlying operating profit	1.5m	1.0m	50%

Securities

Revenue for Securities is £8.2m, a 46% rise on H1 FY21/22. Dry Cargo and Wet Cargo FFAs have continued to grow their revenue and market share over the last six months.

In Dry Cargo, the quarantine restrictions that helped create inefficiency and therefore higher prices have loosened, but the market has proved robust, and volumes have remained high. Further developments to the capabilities of the Braemar Screen have proved popular in the market, making it the leading destination in the market for pricing, data, and charting. In Wet Cargo, supply and demand has tightened and revenue has remained strong.

Following the period end, the Group diversified its Securities offering further with the launch of a Natural Gas desk which compliments the existing offering and adds more scale. It will also offer synergies with existing broking desks and will serve an overlapping client base.

Impact of foreign exchange rates

The US Dollar exchange rate relative to Sterling strengthened in the 6-month period from US$1.34: £1 at 1 March 2022 to US$1.16: £1 at 31 August 2022, this also compared to the position at 31 August 2021 when the closing rate was US$1.38: £1. Given the revenues generated in US Dollars the Group has in place a hedging strategy, owing to the US Dollar volatility in the most recent period and the growth in revenues the board took a decision in August 2022 to increase the volume of hedging activity and acquired further coverage based on a spot exchange rate of $1.17. At the balance sheet date, total hedge cover was in place of $130.0m (£53.8m) at an average rate of $1.22 ($1.37)

To illustrate the impact of the US Dollar strengthening compared to the prior period, if all revenue was reported in US dollars and translated using the closing rates for the respective periods, of the 46% increase in revenue for the H1 22/23 period compared to H1 21/22, 10%, or £4.7m is estimated to be derived from the movement between the US Dollar and Sterling. In addition, the £4.7m is after deducting £2.1m of unfavourable movements on realised hedging transaction caused by the strengthening of the US dollar.

In addition to the increase in revenues the Group's underlying operating profit for H1 FY22/23 of £10.5m included gains on foreign exchange of £2.0m from the translation of non-sterling trading assets (H1 FY21/22: gains on foreign exchange of £0.3m) offset by an unrealised loss on a further hedging instrument that is ineffective for hedge accounting purposes of £0.8m.

The overall impact on underlying operating profits caused by movement in foreign exchange rates is estimated to be an increase of approximately £3.0m, this is after deducting certain other operating costs and the increased bonus provision relating to the above gains in revenue.

Other operating costs

Central costs	**H1 2022/23** **£m**	H1 2021/22 £m	Change %
Central costs	**1.2m**	2.1m	-43%

Central costs were down 43% compared to the previous period. Of the total foreign exchange gains of £2m mentioned above, £1.5m is reported in central costs. When that gain is excluded, then central costs would have increased by £0.6m compared to the prior period, mainly due to additional professional fees.

Specific items	**H1 2022/23** **£m**	H1 2021/22 £m	Change %
Acquisition and disposal-related charges	**0.4m**	0.1m	300%

The Group has separately identified certain items that are not part of the underlying trade of the Group. These specific items are material in both size and/or nature and the Directors believe they may distort understanding of the underlying performance of the business. Expenditure of £0.4m (2021: £0.1m) is directly linked to the acquisition of NAVES Corporate Finance GmbH and relates to amounts due to management sellers on condition of their ongoing service to the Group. See Note 5.

Balance sheet

Net assets at 31 August 2022 were £83.2m (28 February 2022: £75.1m). A review aimed at identifying evidence of impairment of intangible assets was carried out and no such impairment was identified.

Trade and other receivables increased by £0.1m to £38.9m (28 February 2022 £38.8m) and provisions for impairment of trade receivable remain broadly consistent with 28 February 2022. Amounts totalling £4.8m are included in respect of the expected deferred and contingent consideration receivable for the disposal of Cory Brothers on 28 February 2022. £1.4m is due in May 2023 and is presented as current, £3.4m is due in May 2023 and May 2024 and is presented as non-current. There has been no change to the expected contingent consideration and the unwinding of the discounting has been credited to finance costs.

The pension deficit has decreased by £1.9m to £0.2m during the period (28 February 2022: £2.1m). An actuarial valuation at 31 August 2022 resulted in a surplus but the Group does not have the right to recognise this as an asset. The liability at 31 August 2022 represents the present value of the future payments that the Group has agreed to make to the scheme.

Shares held in the Group's Employee Share Ownership Plan ('ESOP') has increased by £0.3m from £6.8m at 28 February 2022 to £7.1m at 31 August 2022 due to additional shares purchased by the ESOP, net of those released to satisfy vesting awards.

Borrowings and cash

At 31 August 2022, the Group held cash of £24.1m (28 February 2022: £14.0m). The increase in cash is largely attributable to the strong trading in the first half of the year and £6.5m of proceeds from the sale of Cory Brothers that was received on 2 March 2022.

The Group has continued to pay down debt and the net bank position was cash of £1.8m compared to net debt of £9.3m at 28 February 2022. Net debt, including acquisition liabilities but excluding IFRS 16 lease liabilities, was £3.1m at 31 August 2022 compared with net debt of £13.9m at 28 February 2022.

Post period end, on 8 November 2022, the Group entered into a new revolving credit facility with HSBC ("RCF"), subject only to certain Group subsidiaries executing additional security documentation as a condition subsequent to the agreement. The RCF facility limit is similar to the previous facility that was due to expire in September 2023 and totals £40.0m with £30.0m available immediately and an accordion limit of £10.0m. Drawdown of the accordion facility is subject to additional credit approval. The facility is for a three-year initial duration but at the Group's option this can be extended by one year on each of the first and second anniversaries of its completion. Therefore, the maximum possible duration is five years.

The RCF has a number of covenants, in particular the ratio of debt to rolling 12-month EBITDA with a limit of 2.5x. The Group also has access to global cash management arrangements, notably in our regional hubs of UK, Germany and Singapore.

The operating cash flows of the Group exhibit seasonality in that the majority bonus payments occur in the first half of the financial year and it is therefore normal for the second half of the year to generate more cash.

Dividend

A final FY21/22 dividend of 7p per ordinary share was proposed in the period and paid on 14 October 2022 following approval at the AGM on 6 October 2022, making a total of 9p for the year following 2p paid at the interim.

An interim dividend for the current year of 4p per ordinary share has been declared and will be paid on 4 January 2023 to shareholders on the register on 25 November 2022.

Taxation

The tax charge of £1.5m (2021: £0.5m) comprises a current tax charge of £2.1m and a deferred tax credit of £0.6m.

Current tax is charged at 20.2% (2021 restated: 9.8%) representing the best estimate of the annual effective tax rate, applied to the taxable profits of the interim period. In the current period the annual effective tax rate is broadly in line with the standard rate of UK corporation tax. The impact of higher corporation tax rates in Australia, Germany and the US is broadly offset by the impact of a lower rate in Singapore. The rate is lower in the prior period due to utilisation of losses.

At 31 August 2022, the Group has recognised a deferred tax asset of £7.3m (28 February 2022 £3.7m). The increase is attributable to the increase in the mark-to-market loss of the Group's forward currency contracts at 31 August 2022 as well as the valuation of outstanding share awards. This has resulted in a £0.6m deferred tax credit in the income statement, with the balance of the movement recognised in equity. The deferred tax asset arises primarily in the UK and is provided at 25.0% (2021: 25.0%) except where temporary differences are expected to reverse before 1 April 2023 where 19.0% is used. The directors believe it is probable that there will be sufficient taxable profits in the future to recover the deferred tax asset in full.

Principal risks

The Directors consider that the principal risks and uncertainties which could have a material effect on the Group's performance identified on pages 42 to 44 of the Annual Report 2022 are also applicable for a period of six months from 31 August 2022. These include risks associated with change management, compliance with laws and regulations, currency fluctuations, cybercrime and data security, disruptive technology, environment and climate change, financial capacity, geopolitical and macroeconomic changes, major business disruption and failure to attract and retain skilled individuals.

The Directors continue to monitor the risks associated with the conflict in the Ukraine. The Group's compliance with sanctions put in place because of the conflict in the Ukraine is not expected to have any material effect on trading in the current financial year nor does the Group have any existing material exposure.

Going concern

Following a detailed review, no material uncertainty has been identified and the interim condensed consolidated financial statements have been prepared on a going concern basis. See Note 2.

Condensed Consolidated Income Statement

Continuing operations	Notes	Unaudited Six months ended 31 Aug 2022 Underlying £'000	Specific items £'000	Total £'000	Unaudited Restated Six months ended 31 Aug 2021 Underlying £'000	Specific items £'000	Total £'000
Revenue	4	**69,439**	**–**	**69,439**	47,410	–	47,410
Operating expense:							
Operating costs		**(58,540)**	**–**	**(58,540)**	(41,809)	–	(41,809)
Acquisition-related expenditure		**-**	**(377)**	**(377)**	–	(153)	(153)
Total operating expense		**(58,540)**	**(377)**	**(58,917)**	(41,809)	(153)	(41,962)
Operating profit/(loss)		**10,899**	**(377)**	**10,522**	5,601	(153)	5,448
Share of associate loss for the period	10	**(14)**	**–**	**(14)**	(29)	–	(29)
Finance income		**99**	**–**	**99**	40	172	212
Finance costs		**(456)**	**(83)**	**(539)**	(683)	(131)	(814)
Profit/(loss) before taxation		**10,528**	**(460)**	**10,068**	4,929	(112)	4,817
Taxation		**(1,473)**	**–**	**(1,473)**	(483)	–	(483)
Profit/(loss) from continuing operations		**9,055**	**(460)**	**8,595**	4,446	(112)	4,334
Profit net of tax from discontinued operations	6	**–**	**–**	**–**	1,038	1,588	2,626
Profit/(loss) attributable to equity shareholders of the Company		**9,055**	**(460)**	**8,595**	5,484	1,476	6,960

Total							
Earnings per ordinary share							
Basic	8	**31.84p**		**30.22p**	17.60p		22.34p
Diluted	8	**24.36p**		**23.33p**	14.45p		18.34p

Continuing operations							
Earnings per ordinary share							
Basic	8	**31.84p**		**30.22p**	14.27p		13.91p
Diluted	8	**24.36p**		**23.33p**	11.19p		11.19p

The six months ended 31 August 2021 has been restated for prior period adjustments and a change in presentation as detailed in Note 21.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 August 2022

	Notes	**31 Aug 2022 £'000**	Restated 31 Aug 2021 £'000
Profit for the year		**8,595**	6,960
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss:			
- Actuarial gain/(loss) on employee benefit schemes – net of tax		1,**235**	(978)
Items that are or may be reclassified to profit or loss:			
- Foreign exchange gains on retranslation of foreign operations	17	**2,417**	517
- Cash flow hedging loss – net of tax	17	**(3,272)**	(532)
Other comprehensive income/(expense) from continuing operations		**380**	(993)
Discontinued operations			
- Share of other comprehensive income of associates		**-**	52
- Recycling of foreign exchange reserve*		**-**	373
Other comprehensive income from discontinued operations		**-**	425
Total comprehensive income attributable to equity shareholders of the Company		**8,975**	6,392

The six months ended 31 August 2021 has been restated for the impact of prior period adjustments. See Note 21.

* The recycling of foreign exchange reserve relates to the disposal of AqualisBraemar. See Note 6.

Condensed Consolidated Balance Sheet

	Note	**Unaudited**	Audited
		As at 31 Aug 2022	As at 28 Feb 2022
		£'000	£'000
Assets			
Non-current assets			
Goodwill		**80,233**	79,891
Other intangible assets		**1,085**	997
Property, plant and equipment		**5,576**	7,078
Other investments		**1,780**	1,780
Investment in associate	10	**710**	724
Derivative financial instruments	14	-	8
Deferred tax assets		**7,254**	3,713
Other long-term receivables	11	**3,983**	5,636
		100,621	99,827
Current assets			
Trade and other receivables	12	**38,888**	38,808
Derivative financial instruments	14	**-**	54
Cash and cash equivalents		**24,058**	13,964
		62,946	52,826
Total assets		**163,567**	152,653
Liabilities			
Current liabilities			
Derivative financial instruments	14	**4,989**	688
Trade and other payables		**41,522**	38,629
Current tax payable		**988**	1,608
Provisions		**293**	486
Convertible loan notes	13	**1,561**	1,416
		49,353	42,827
Non-current liabilities			
Long-term borrowings		**25,084**	28,331
Derivative financial instruments	14	**1,266**	335
Provisions		**1,088**	797
Convertible loan notes	13	**2,814**	2,755
Deferred consideration	13	**593**	495
Pension deficit	3	**186**	2,052
		31,031	34,765
Total liabilities		**80,384**	77,592
Total assets less total liabilities		**83,183**	75,061
Equity			
Share capital	15	**3,247**	3,221
Share premium	15	**53,030**	53,030
ESOP reserve	16	**(7,093)**	(6,771)
Other reserves	17	**26,269**	27,124
Retained earnings		**7,730**	(1,543)
Total equity		**83,183**	75,061

Condensed Consolidated Cash Flow Statement

For the six months ended 31 August 2022

	Notes	**31 Aug 2022** **£'000**	31 Aug 2021 restated £'000
Profit before tax from continuing operations		**10,068**	4,817
Profit before tax from discontinued operations		**–**	2,853
Adjustment for non-cash transactions included in profit before tax			
Depreciation and amortisation charges		**1,545**	1,825
Loss on disposal of fixed assets		**134**	–
Share of loss/(profit) in associate from continuing and discontinued operations		**14**	(47)
Share scheme charges		**1,770**	1,492
Fair value movement on financial instruments charged to profit or loss	14	**799**	–
Net finance cost		**440**	602
Credit on modification of deferred consideration		**–**	(172)
Gain on disposal of shares in AqualisBraemar	6	**–**	(3,375)
Gain on disposal of Wavespec	6	**–**	(587)
Loss on impairment of Wavespec receivable	6	**–**	2,374
Adjustment for cash items not included in profit before tax			
Contribution to defined benefit scheme		**(225)**	(198)
Operating cash flow before changes in working capital		**14,545**	9,584
Increase in receivables		**(5,226)**	(7,645)
Increase in payables		**2,919**	1,582
Increase in provisions		**98**	328
Cash flows from operating activities		**12,336**	3,849
Interest received		**21**	40
Interest paid		**(305)**	(665)
Tax paid		**(2,159)**	(980)
Net cash generated from operating activities		**9,893**	2,244
Cash flows from investing activities			
Purchase of property, plant and equipment		**(187)**	(346)
Purchase of other intangible assets		**(300)**	(528)
Investment in associate	10	**–**	(217)
Proceeds from disposal of Cory Brothers	6	**6,500**	–
Proceeds from disposal of Wavespec, net of cash disposed		**–**	(53)
Proceeds from disposal of investment in associate	10	**–**	7,232
Principal received on finance lease receivables		**300**	450
Net cash generated from investing activities		**6,313**	6,538

	Notes	**31 Aug 2022** **£'000**	31 Aug 2021 restated £'000
Cash flows from financing activities			
(Repayment) / proceeds from borrowings		**(1,000)**	2,000
Repayment of principal under lease liabilities		**(2,195)**	(1,971)
Purchase of own shares		**(4,884)**	(4,152)
Settlement of convertible loan notes	13	**–**	(1,198)
Net cash used in financing activities		**(8,079)**	(5,321)
Increase in cash and cash equivalents		**8,127**	3,461
Cash and cash equivalents at beginning of the period		**13,964**	14,164
Foreign exchange differences		**1,967**	(579)
Cash and cash equivalents at end of the period		**24,058**	17,046

	31 Aug 2022 **£'000**	31 Aug 2021 restated £'000
Cash and cash equivalents (continuing operations)	**24,058**	9,111
Cash and cash equivalents (included in assets held for sale)	**-**	7,935
Total cash and cash equivalents at end of the period	**24,058**	17,046

The six months ended 31 August 2021 has been restated for the impact of prior year adjustments. See Note 21.

Condensed Statement of Changes in Total Equity

Group	Note	Share capital £'000	Share premium £'000	ESOP reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 28 February 2021 (restated)	21	3,174	52,510	(1,362)	28,094	(15,906)	66,510
Profit for the period (restated)	21	–	–	–	–	6,960	6,960
Actuarial loss on employee benefits schemes – net of tax		–	–	–	–	(978)	(978)
Foreign exchange differences arising on translation of foreign operations (restated)		–	–	–	942	–	942
Cash flow hedges – net of tax		–	–	–	(532)	–	(532)
Other comprehensive expense		–	–	–	410	(978)	(568)
Total comprehensive income (restated)	21				410	5,982	6,392
Dividends	9	–	–	–	–	(1,482)	(1,482)
Shares issued	15	25	–	(25)	–	–	–
Acquisition of own shares	16	–	–	(4,152)	–	–	(4,152)
ESOP shares allocated	16	–	–	1,659	–	(1,659)	–
Share-based payments		–	–	–	–	1,492	1,492
Transactions with owners		25	–	(2,518)	–	(1,649)	(4,142)
At 31 August 2021 (restated)		**3,199**	**52,510**	**(3,880)**	**28,504**	**(11,573)**	**68,760**
At 28 February 2022		**3,221**	**53,030**	**(6,771)**	**27,124**	**(1,543)**	**75,061**
Profit for the period		–	–	–	–	8,595	8,595
Actuarial gain on employee benefits schemes – net of tax		–	–	–	–	1,235	1,235
Foreign exchange differences arising on translation of foreign operations		–	–	–	2,417	–	2,417
Cash flow hedges – net of tax		–	–	–	(3,272)	–	(3,272)
Other comprehensive expense		–	–	–	(855)	1,235	380
Total comprehensive income		–	–	–	(855)	9,830	8,975
Tax credit taken to equity		–	–	–	–	2,261	2,261
Shares issued	15	26	–	–	–	(26)	–
Acquisition of own shares	16	–	–	(4,884)	–	–	(4,884)
ESOP shares allocated	16	–	–	4,562	–	(4,562)	–
Share-based payments		–	–	–	–	1,770	1,770
Transactions with owners		26	–	(322)	–	(557)	(853)
At 31 August 2022		**3,247**	**53,030**	**(7,093)**	**26,269**	**7,730**	**83,183**

Notes to the Condensed Consolidated Financial Statements (unaudited)

1 General information

Braemar Plc (the "Company") is a public limited company incorporated and domiciled in England and Wales. The interim condensed consolidated financial statements for the six months ended 31 August 2022 comprise the Company, its subsidiaries and the employee share ownership trust (together referred to as the "Group"). The address of the Company's registered office is One Strand, Trafalgar Square, London, WC2N 5HR, United Kingdom. The interim condensed consolidated financial statements of the Group were authorised for issue in accordance with a resolution of the directors on 14 November 2022.

2 Basis of preparation and statement of compliance

The interim condensed consolidated financial statements for the six months ended 31 August 2022 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, "Interim Financial Reporting", and also in accordance with the measurement and recognition principles of UK adopted international accounting standards. They do not constitute statutory financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report for the year ended 28 February 2022, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with UK-adopted international accounting standards.

The interim condensed consolidated financial statements have been prepared on a going concern basis with a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing of the interim condensed consolidated financial statements. In reaching this conclusion the directors considered cash flow forecasts that have been prepared in the light of current trading, the continued impact of conflict in the Ukraine and the possibility of a global recession. The directors have considered the trading and cash flows over the first six months of the year which has been good across the Group's business and has benefitted from the volatility in the shipping markets caused by the Ukraine conflict. The directors consider that the breadth of the Group's business model and the diversity of the broking operation and the markets in which the Group now operates, have insulated the business well from cycles in any one shipping market. The directors have also considered forward-looking market data in respect of the shipping market. This includes the forward order book within the Chartering segment, and the potential within the Investment advisory segment.

The Group has recently completed the execution of a new revolving credit facility ('RCF') with its main bankers, HSBC subject to certain Group subsidiaries signing up to the facility as guarantors as a condition subsequent to the agreement. The new RCF is for £30.0 million plus an accordion limit of £10.0 million. Drawdown of the accordion facility is subject to additional credit approval. The facility terms are very similar to the old RCF that it has replaced that was due to expire in September 2023. It has an EBITDA leverage covenant of 2.5x and a minimum interest cover of 4x. At 31 August 2022, 31 May 2022 and 28 February 2022 the Group met all financial covenant tests. As at 31 August 2022 the Group's net cash at bank* was £1.8m with available headroom in the £30.0m RCF of £7.7m. (*Net cash at bank debt is calculated as net cash less secured RCF).

The Group has updated its expected revenue, cost and cash forecasts in the light of the positive trading over the first half of the current financial year and assessed the ability of the Group to operate both within the facility covenants and the facility headroom. A number of downside sensitivities were tested including reverse stress scenarios. The results of this exercise showed that the Group could withstand revenue reductions of 35% before it was forecast that covenants would be breached or liquidity insufficient, after taking into account reasonable cost mitigations and other cash management measures within the control of the Group.

The directors have considered these revenue downside sensitivities and in the light of the revenue growth seen in the period and the prospects for the second half of the year have concluded that it would be remote that revenues would be impacted to this extent over the assessed going concern period,

The directors consider revenue as the key assumption in the Group's forecasts as the operating costs are largely fixed or made up of discretionary bonuses which are directly linked to profitability.

To date the current geo-political instability and global trade interruption has not had a significant impact on the business but there remains uncertainty over the current outlook. However, the directors are comfortable that under the scenarios run, the Group could withstand a decline in revenue as described and continue to operate within the available banking facilities. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated financial statements.

Forward-looking statements

Certain statements in this interim report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we 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. We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

3 Accounting policies

The Group has applied the same accounting policies and methods of computation in its interim condensed consolidated financial statements as in its consolidated financial statements as at and for the year ended 28 February 2022, except as described below, and should be read in conjunction with the 2022 Annual Report.

No new standards or amendments effective for reporting periods beginning on or after 1 March 2022 had an impact on the interim condensed consolidated financial statements for the period ended 31 August 2022.

Defined benefit pension

The Group uses an independent actuary to provide valuations of the defined benefit pension scheme. The actuary uses a number of estimates in respect of the scheme membership, the valuation of assets and assumptions regarding discount rates, inflation rates and mortality rates. The membership details are provided by an independent trustee while the valuation of assets is verified by an independent fund manager. The discount rates, inflation rates and mortality rates are reviewed by management for reasonableness.

If the actuarial valuation results in a deficit, the Group recognises the deficit in full. When the actuarial valuation results in a surplus, the net present value of the minimum payments is recognised as a liability unless, and to the extent that, management assess that the payments will give rise to future economic benefits.

Taxation

Taxation is recognised in the interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in the subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Accounting estimates and critical judgements

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

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements as at and for the year ended 28 February 2022, except as described below:

Valuation of defined benefit pension scheme

The independent actuarial valuations of the Group's defined benefit pension scheme was a surplus of £0.9m. Management have made a judgement that at 31 August 2022, despite the actuarial valuation surplus, a liability of £0.2m in respect of minimum future payments should be recognised.

Seasonality

The Group's operating cash flows exhibit seasonality in that the majority of bonus payments occur in the first half of the financial year. The Group's revenues are not subject to significant seasonal variation, with the historical exception of the Deep-sea Tankers desk which has generated stronger revenues during the Northern hemisphere winter months.

4 Segmental information and revenue

a) Business segments

Following the simplification of the Group's activities and the way in which information is now presented to the Group's Chief Operating Decision Maker the Group's operating segments are Chartering, Investment advisory and Risk advisory. The Chief Operating Decision Maker is considered to be the Group's board of directors. These three segments are managed separately on the basis of the nature of the services offered to clients and differences in the regulatory environment applicable to each segment. Previously the Group's operating segments were based on a Divisional structure of Shipbroking and Financial. The Logistics and Engineering Divisions were sold in the prior year and are presented as discontinued operations in the comparative period.

The board considers the business from both service line and geographic perspectives. A description of each of the lines of service is provided in the operating and financial review.

Central costs relate to board costs and other costs associated with the Group's listing on the London Stock Exchange.
All segments meet the quantitative thresholds required by IFRS 8 as reportable segments.

Underlying operating profit is defined as operating profit for continuing activities before restructuring costs, gain on disposal of investment and acquisition and disposal-related items.

The segmental information provided to the board for reportable segments for the six months ended 31 August 2022 is as follows:

	Revenue		Operating profit/(loss)	
	Six months ended 31 Aug 2022 £'000	Restated Six months ended 31 Aug 2021 £'000	**Six months ended 31 Aug 2022 £'000**	Restated Six months ended 31 Aug 2021 £'000
Chartering	**44,892**	26,775	**6,931**	2,503
Investment advisory	**16,325**	15,061	**3,719**	4,200
Risk advisory	**8,222**	5,574	**1,457**	954
Trading segments revenue/results	**69,439**	47,410	**12,107**	7,657
Central costs			**(1,208)**	(2,056)
Underlying operating profit			**10,899**	5,601
Specific items included in operating expenses			**(377)**	(153)
Operating profit			**10,522**	5,448
Share of associate's loss for period			**(14)**	(29)
Net finance expense			**(440)**	(602)
Profit before taxation			**10,068**	4,817

* The six months ended 31 August 2021 has been restated for prior period errors and to reflect the new segment reporting format. See Note 21.

Geographical segment – by origin
The Group manages its business segments on a global basis. The operation's main geographical area and also the home country of the Company is the United Kingdom.

Geographical information determined by location of customers is set out below:

	Revenue	
	Six months ended 31 Aug 2022 £'000	Six months ended 31 Aug 2021 £'000
United Kingdom	**36,061**	27,630
Singapore	**13,251**	9,386
United States	**1,167**	276
Australia	**8,579**	5,001
Germany	**1,646**	1,124
Rest of the World	**8,735**	3,993
Continuing operations	**69,439**	47,410
Discontinued operations	**–**	21,281
Total	**69,439**	68,691

b) Major customers

There is no single client that makes up more than 10% of the Group's revenues.

5 Specific items

The following is a summary of specific items incurred. Each item has an impact on the reported results for the year that is considered material either by size or nature and is not expected to be incurred on an ongoing basis and, as such, will not form part of the underlying profit in future years.

	Six months ended 31 Aug 2022 £'000	Restated Six months ended 31 Aug 2021 £'000
Acquisition-related items		
– Acquisition of Naves Corporate Finance GmbH	**(377)**	(153)
Discontinued operations		
- Wavespec	**-**	(1,787)
- AqualisBraemar	**-**	3,375
	-	1,588
Other items		
Finance income - credit on modification of deferred consideration	**-**	172
Finance costs	**(83)**	(131)
Total	**(460)**	1,476

A correction to the specific items for the six months ended 31 August 2021 has been recognised as a prior period adjustment. See Note 21.

Acquisition-related items

The Group incurred total costs of £0.4m (2021 restated: £0.2m) directly linked to the acquisition of Naves Corporate Finance GmbH, being £0.1m due to management sellers conditional on their ongoing service to the group (2021 restated: £0.2m), a £0.1m charge on remeasurement of the fair value of derivative liabilities on the restructured liabilities due to management sellers, and exchange losses on acquisition liabilities of £0.2m.

Discontinued operations

In the prior period, the Group recognised a net gain of £1.6m on the disposal of discontinued operations.

The disposal of Wavespec produced a net loss of £1.8m, whilst the disposal of AqualisBraemar generated a gain of £3.4m, more detail is provided in Note 6.

Other specific items

On 3 June 2021 the Group completed a restructuring of the deferred consideration amounts in relation to the acquisition of Naves Corporate Finance GmbH. This resulted in a gain on modification of £0.17m which is classified as specific finance income.

There was a further finance cost being interest accruing on the loan notes related to the acquisition of Naves of £0.08m (2021: £0.13m).

6 Discontinued operations

In the year ended 28 February 2022, the Group sold its Engineering Division, Wavespec, its Logistics Division, Cory Brothers, and its entire shareholding in AqualisBraemar. The results of these three businesses have therefore been recognised as discontinued operations through the reporting periods.

a) Post-tax profit related to discontinued operations

	Six months ended 31 Aug 2022			Restated Six months ended 31 Aug 2021		
	Underlying £'000	**Specific £'000**	**Total £'000**	Underlying £'000	Specific £'000	Total £'000
Wavespec	–	–	–	(146)	(1,787)	(1,933)
Cory Brothers	–	–	–	1,108	–	1,108
AqualisBraemar	–	–	–	76	3,375	3,451
Profit	–	–	–	1,038	1,588	2,626

Wavespec

On 31 March 2021, the Group completed the sale of Wavespec. A net loss on disposal of £1.8m consisted of the accounting gain of £0.6m recognised on disposal less a subsequent impairment of £2.4m of the disposal proceeds receivable.

Cory Brothers

At 31 August 2021, following the Group's decision to dispose of Cory Brothers, the results of Cory Brothers for the six months ended 31 August 2021 were recognised as discontinued operations.

On 28 February 2022 the Company sold Cory Brothers to Vertom Agencies BV for a maximum consideration of £15.5m.

The initial cash proceeds of £6.5m were received in March 2022, and three further cash payments are due based on a percentage of the gross profit of the combined VertomCory business. Each of the three earnout payments is subject to a minimum and a maximum. The minimum aggregate earnout payment is £3.75m and the maximum aggregate earnout payment is £9.0m. The minimum payment has been recognised as deferred consideration recognised at amortised cost, using a discount of 2.39%. The uncertain element of each earnout payment is recognised at fair value through profit or loss and presented as contingent consideration. The fair value is calculated using the forecast gross profit for the combined VertomCory business for each earnout period, applying the agreed percentage and discounting the forecast cashflow using the discount rate of 2.39%.

The current estimate of the fair value of the deferred and contingent consideration is £4.8m, of which £3.4 million is presented within long-term receivables and £1.4m in current receivables. There has been no change to the expected contingent consideration, and the unwinding of the discounts has been credited to finance costs.

AqualisBraemar

The Group recognised its minority shareholding in AqualisBraemar as an investment in associate until its disposal on 19 May 2021. The Group's share of profit of associate and the profit on disposal including foreign exchange recycling totalled £3.5m. See Note 10.

b) Cash flows in respect of discontinued operations

During the period there were no operating cash inflows from discontinued operations (2021: £0.6m). There were net cash inflows from investing activities of £6.5.m being the initial proceeds from the disposal of Cory Brothers (2021: £7.2m proceeds from the sale of AqualisBraemar shares less £0.1m cash disposed of with Wavespec), and there were no cash flows relating to financing activities.

7 Taxation

The total tax charge of £1.5 million consists of a current tax charge of £2.1 million and a deferred tax credit of £0.6 million. The total tax charge of £0.5m for the comparative period comprises a current tax charge of £0.8m and a deferred tax credit of £0.3m.

Current tax is charged at 20.2% for the six months ended 31 August 2022 (2021 restated: 9.8%) representing the best estimate of the average annual effective tax rate expected to apply for the full year, applied to the pre-tax income of the six-month period. The annual effective tax rate in the current period is broadly in line with the standard rate of UK corporation tax. The impact of higher corporation tax rates in Australia and Germany and the US is broadly offset by the impact of a lower rate in Singapore. The annual effective tax rate in the prior period is lower due to the utilisation of losses.

Deferred tax assets arise primarily in the UK, the deferred tax credit is based on 25.0% for the six months ended 31 August 2022 (2021: 25.0%) except where temporary differences are expected to reverse before 1 April 2023, in which case deferred tax is based on 19.0%. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities. The directors believe it is probable that there will be sufficient taxable profits in the future to recover the deferred tax assets in full.

8 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding 3,577,830 ordinary shares held by the Employee Share Ownership Plan and 62,290 ordinary shares held by the ACM Employee Benefit Trust which are treated as cancelled (28 February 2022: 2,669,603 and 62,290 shares respectively).

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive ordinary shares. The Group has dilutive ordinary shares, being those options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year, and convertible loan notes issued in respect of the Naves.

Total operations	**Six months ended 31 Aug 2022 £'000**	Restated Six months ended 31 Aug 2021 £'000
Profit for the year attributable to shareholders	**8,595**	6,960

	Pence	pence
Basic earnings per share	**30.22**	22.34
Effect of dilutive share options	**(6.89)**	(4.54)
Diluted earnings per share	**23.33**	17.80

Underlying operations	Six months ended 31 Aug 2022 £'000	Restated Six months ended 31 Aug 2021 £'000
Underlying profit for the year attributable to shareholders	**9,055**	**5,484**

	pence	pence
Basic earnings per share	**31.84**	**17.60**
Effect of dilutive share options	**(7.48)**	**(3.80)**
Diluted earnings per share	**24.36**	**13.80**

Underlying continuing operations	Six months ended 31 Aug 2022 £'000	Restated Six months ended 31 Aug 2021 £'000
Underlying profit for the year from continuing operations	**9,055**	4,446

	pence	pence
Basic earnings per share	**31.84**	**14.27**
Effect of dilutive share options	**(7.48)**	**(3.08)**
Diluted earnings per share	**24.36**	**11.19**

Continuing operations	Six months ended 31 Aug 2022 £'000	Restated Six months ended 31 Aug 2021 £'000
Profit from continuing operations for the year attributable to shareholders	**8,595**	**4,334**

	pence	pence
Basic earnings per share	**30.22**	**13.91**
Effect of dilutive share options	**(6.89)**	**(2.72)**
Diluted earnings per share	**23.33**	**11.19**

The weighted average number of shares used in basic earnings per share is 28,439,984 (2021: 31,161,213).

The weighted average number of shares used in the diluted earnings per share is 37,168,377 (2021: 39,744,362) after adjusting for the effect of 8,728,393 (2021: 8,583,149) dilutive share options and convertible loan notes.

Where any potential ordinary shares would have the effect of increasing earnings per share, they have not been treated as dilutive.

9 Dividends

On 28 August 2022 the directors recommended a dividend of 7p per share for approval at the AGM for the financial year ended 28 February 2022. On 6 October 2022 the dividend of 7p per share was approved and was paid on 14 October 2022.

On 1 September 2021, a final dividend of 5p per share in respect of the financial year ended 28 February 2021 was paid and an interim dividend for the year ended 28 February 2022 of 2p per share was paid on 16 December 2021.

The board has declared an interim dividend of 4p per share, as a result of the trading in the first half of this year, to be paid on 4 January 2023 (H1 2021: 2p).

As noted in the 2022 Annual Report, certain dividends paid in 2021 were made in technical infringement of the Companies Act 2006, prior to declaring and paying distributions to shareholders in respect of the Company's 1 September 2021 final dividend and 16 December 2021 interim dividend.

A resolution was passed at the Annual General Meeting re-convened on 6 October 2022 which gave the board authority to enter into deeds of release to discharge these parties from any obligation to repay any amount to the Company in connection with the Relevant Distributions. The Company has not recorded the potential right to make claims against shareholders as an asset or a contingent asset at 31 August 2022. The directors of the Company have concluded that any inflow of economic benefits as a result of such claims was less than probable at that date.

10 Investment in associate

The movements in the investment in associates are provided below.

	Zuma £'000	AqualisBraemar £'000	Total £'000
At 1 March 2021	**418**	**3,345**	**3,763**
Book value of 1,125 shares acquired	217	–	217
Share of profit/(loss) in associate – underlying	(29)	76	47
Share of associate's other comprehensive income	–	52	52
Book value of 9,640,621 shares disposed	–	(3,473)	(3,473)
At 31 August 2021	**606**	–	**606**
Book value of 375 shares acquired	109	–	109
Share of profit in associate – underlying	9	–	9
At 28 February 2022	**724**	–	**724**
Share of loss in associate – underlying	(14)	–	(14)
At 31 August 2022	**710**	–	**710**

Zuma Labs Limited

At 31 August 2022 the Group held 2,500 ordinary shares in Zuma Labs Limited being 20% of Zuma's share capital (At 28 February 2022: 2,500 ordinary shares being 20% of share capital). Zuma Labs Limited is a private company incorporated in England and Wales and its registered address is Kemp House, 160 City Road, London, United Kingdom, EC1V 2NX. Zuma Labs Limited has one share class and each share carries one vote.

The Group has representation on the board of Zuma Labs Limited, as a result, the Group considers that it has the power to exercise significant influence in Zuma Labs Limited and the investment in it has been accounted for using the equity method.

AqualisBraemar

At 1 March 2021 the group held 9,640,621 shares shareholding in AqualisBraemar LOC ASA which it recognised as an investment in an associate. AqualisBraemar LOC ASA is listed on the Oslo Børs, its principal place of business is Oslo and its registered address is Olav Vs gate 6, 0161, Oslo, Norway. AqualisBraemar LOC ASA has one share class and each share carries one vote.

On 19 May 2021 the Group sold its entire remaining shareholding in AqualisBraemar LOC ASA, see Note 6. At that point significant influence was lost, and the Group ceased to equity account for AqualisBraemar.

The net disposal proceeds were £7.2m, and the profit on disposal was £3.4m. The results of AqualisBraemar are presented within discontinued operations.

11 Other long-term receivables

	31 Aug 2022 £'000	28 Feb 2022 £'000
Other long-term receivables		
Deferred consideration	**2,441**	3,482
Contingent consideration	**960**	1,276
Security deposits	**18**	17
Finance lease receivables	**564**	861
	3,983	5,636

Deferred consideration of £2.4 and contingent consideration of £1.0m relates to the non-current earn-out payments receivable in respect of the disposal of Cory Brothers, further detail is provided in Note 6.

12 Trade and other receivables

	31 Aug 2022 £'000	28 Feb 2022 £'000
Trade receivables	**30,050**	24,970
Provision for impairment of trade receivables	**(3,331)**	(3,159)
Net trade receivables	**26,719**	21,811
Deferred consideration	**1,084**	-
Contingent consideration	**330**	-
Other receivables	**5,321**	13,314
Finance lease receivables	**633**	633
Accrued income	**2,940**	1,965
Prepayments	**1,861**	1,085
Total	**38,888**	38,808

Included in other receivables in all periods are security deposits, VAT and other sales tax receivables and employee loans. The balance at 28 February 2022 also includes the initial amount receivable for the disposal of Cory Brothers of £6.5m which was received during the current period.

Deferred consideration of £1.1m and contingent consideration of £0.3m relates to the current element of earn-out payments receivable in respect of the disposal of Cory Brothers.

The directors consider that the carrying amounts of trade receivables approximate to their fair value.

The provision for impairment of trade receivables consists of lifetime expected loss provision and specific provision. At 31 August 2022 the lifetime expected loss provision for trade receivables and contract assets is £0.8m (six months ended 28 February 2022: £0.7m). The expected credit loss rates applied at 31 August 2022 are consistent with those applied at 28 February 2022. The specific provision on trade receivable as at 31 August 2022 is at £2.5m (six months ended 28 February 2022: £2.5m).

13 Deferred consideration payable

Acquisition of Naves Corporate Finance GmbH

In September 2017, the Group acquired the entire share capital of Naves Corporate Finance GmbH ("Naves"). Naves was an established and successful business, headquartered in Hamburg, Germany, which advises national and international clients on corporate finance related to the maritime industry including restructuring advisory, corporate finance advisory, M&A, asset brokerage, interim/pre-insolvency management and financial asset management including loan servicing.

The accounting values for the deferred consideration and associated payments to management sellers are subject to a prior period adjustment set out in Note 21.

The acquisition agreement provided for consideration of £16.0m (€18.4m) payable as follows:

i) at completion in cash £7.3m (€8.3m), in shares £1.3m (€1.5m) and in convertible loan notes £6.4m (€7.4m); and
ii) deferred consideration in cash of £0.5m (€0.6m) and convertible loan notes of £0.5m (€0.6m), payable in instalments over the three years after the acquisition.

No consideration was contingent consideration. As at six months ended 31 August 2022, there is nil outstanding deferred consideration (2021:nil) to non-management sellers.

The acquisition agreement also provided deferred amounts that would be payable to management sellers, conditional on their ongoing service in the business. IFRS 3 states that amounts paid to former owners which are conditional on ongoing service are for the benefit of the acquirer and not for the benefit of former owners. Consideration linked to the ongoing service of former owners is treated as remuneration for post-combination services and classified as acquisition-related expenditure under specific items in the Income Statement.

The deferred amounts payable to management sellers comprised:

i) deferred cash of £1.3m (€1.5m) and deferred convertible loan notes of £4.3m (€4.9m) conditional only on the individual management seller's continued service payable in instalments over the five years after the acquisition; and
ii) deferred convertible loan notes of up to £9.4m (€11.0m) conditional on the individual management seller's continued service and the post-acquisition Naves' EBIT in the three years post-acquisition. By February 2021, there was no contingency remaining and the total amount paid was £4.6m (€5.3m).The settlement of the vested contingent payments was restructured in June 2021.

At February 2022 £0.5m (2021: £1.0m) of amounts payable in the future to management sellers were subject to future service conditions, of which £0.5m (2021: £0.9m) had been accrued. This accrual is presented within deferred consideration.

	As at 31 Aug 2022 £'000	As at 28 Feb 2022 £'000
Current		
Issued convertible loan notes	1,561	1,416
Deferred cash	-	-
	1,561	1,416
Non-current		
Issued convertible loan notes	2,814	2,755
Accrued retention convertible loan notes	593	495
	3,407	3,250
Total	4,968	4,666

	£'000
Total Naves liabilities at 28 February 2021	4,666
Service cost	71
Interest	83
Foreign exchange	148
Total Naves liabilities at 28 February 2022	4,968

Post-acquisition remuneration of £0.1m associated with the acquisition were incurred during the six months ended 31 August 2022 (2021: £0.2m) and have been classified as acquisition-related expenditure under specific items in the Income Statement. See Note 5.

14 Financial instruments

The board has modified its currency hedging strategy to address the increased volatility in currency markets. There have been no other substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and other processes for managing those risks or the methods used to measure them from previous periods.

Amidst a period of increased currency risk the board has modified its hedging strategy, increasing both the proportion of future cash flows that it seeks to hedge and opting to hedge forecast US Dollar cash flows out to 21 months rather than 18 months. The Group is using a wider range of instruments to transact the new strategy, including forward foreign exchange contracts and currency options which are discussed below. The Group continues to apply hedge accounting to hedge instruments that meet the criteria set out in IFRS 9.

c) Financial instruments

i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- deferred consideration receivable;
- contingent consideration receivable;
- unlisted investments;
- trade and other payables;
- bank overdrafts;
- revolving credit facility;
- lease liabilities;
- forward currency contracts;
- currency options;
- deferred consideration; and
- convertible loan notes.

ii) Financial instruments by category

Financial instruments measured at fair value

The Group's financial assets and liabilities measured at fair value through profit and loss, including their fair value hierarchy, are as follows. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction, other than in a forced or liquidated sale.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	As at 31 Aug 2022 £'000
Financial assets				
Unlisted investments	**–**	**1,500**	**–**	**1,500**
Contingent consideration receivable	**–**	**–**	**1,290**	**1,290**
Total	**–**	**1,500**	**1,290**	**2,790**
Financial liabilities				
Forward currency contracts	**–**	**4,760**	**–**	**4,760**
Options	**–**	**1,113**	**–**	**1,113**
Embedded derivative	**–**	**–**	**382**	**382**
Total	**–**	**5,873**	**382**	**6,255**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	As at 28 Feb 2022 £'000
Financial assets				
Unlisted investments	–	1,500	–	1,500
Contingent consideration receivable	–	–	1,276	1,276
Forward currency contracts	–	62	–	62
Total	–	1,562	1,276	2,838
Financial liabilities				
Forward currency contracts	–	772	–	772
Embedded derivative	–	–	251	251
Total	–	772	251	1,023

Fair value hierarchy

The level in the fair value hierarchy within which the financial asset or liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities are classified in their entirety into one of three levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

Unlisted investment

The unlisted investment relates to the Group's investment in the London Tanker Broker Panel. The investment is carried at fair value, being the value of the most recent comparable transaction and is therefore classified as Level 2 in the fair value hierarchy.

There was no movement in the fair value of the unlisted investment.

Contingent consideration receivable

The fair value of the contingent consideration receivable includes unobservable inputs and are therefore classified as Level 3. The contingent consideration receivable relates to the disposal of the Logistics Division whereby Braemar is entitled to three future cash payments. The SPA provides for a minimum guaranteed amount in each of the three years, this amount has been classified as deferred consideration. The balance of the earnout consideration is contingent on the future performance of the combined business up to a maximum specified in the SPA, this has been classified as contingent consideration. The fair value of the contingent consideration has been calculated by reference to management's expectation of the future profitability of the combined business and discounted to present value using a discount rate of 2.39%. The discount rate of 2.39% was based on the credit risk of Vertom Agencies BV assessed by a third-party credit agency.

Forward currency contracts

The fair value of the forward currency contracts are based on prices quoted by the counterparty within these contracts versus the market rate at the Balance Sheet date and have therefore been classified as Level 2 in the fair value hierarchy.

The Group manages the exposure to US Dollar currency variations by spot and forward currency sales and other derivative currency contracts.

At 31 August 2022 the Group held forward currency contracts to sell $108.7 million at an average rate of $1.23/£1.

At 28 February 2022 the Group held forward currency contracts to sell $53.8 million at an average rate of $1.37/£1.

The net fair value of forward currency contracts that are designated and effective as cash flow hedges amount to a £4.8m liability (28 February 2022: £0.7m liability).

Amounts of £2.0m have been charged (31 August 2021: £0.6m) to the condensed consolidated Income Statement in respect of forward contracts which have matured in the period.

Currency options

The fair value of the currency options are based on prices quoted by the counterparty within these contracts versus the market rate at the Balance Sheet date and have therefore been classified as Level 2 in the fair value hierarchy.

At 31 August 2022 the Group entered into currency options featuring a "cap and collar" feature. The net fair value of these options, that are designated as effective cash flow hedges, amounts to a £0.3m liability (28 February 2022: £nil liability). The intrinsic value of the options is designated as a cashflow hedge. The time value of the options is deferred in equity as a cost of hedging, and released to profit and loss upon recognition of the hedged item.

The Group also entered into a currency option which is not designated as effective cash flow hedges with a fair value of a £0.8m liability (28 February 2022: £nil liability). The £0.8m movement in fair value in the period was charged to the income statement (2021: £nil).

The maturity analysis of forward currency contracts and currency options is provided below:

	31 Aug 2022 £'000	28 Feb 2022 £'000
Assets		
Forward currency contracts maturing within 12 to 18 months	**-**	8
Forward currency contracts maturing within 12 months	**-**	54
Total assets	**-**	62
Liabilities		
Forward currency contracts maturing within 12 to 18 months	**(463)**	(84)
Options maturing within 12 to 18 months	**(799)**	-
Forward currency contracts maturing within 12 months	**(4,297)**	(688)
Options maturing within 12 months	**(314)**	-
Total liabilities	**(5,873)**	(772)

Embedded derivative

The convertible loan note instruments issued on the acquisition of Naves contain an embedded derivative, being a Euro liability of principal and interest. The equity value of the underlying derivative is not considered closely related to the debt host, therefore the loan note is considered to be a financial liability host with an embedded derivative convertible feature which is required to be separated from the host. The fair value of the embedded derivative includes unobservable inputs and is therefore classified as Level 3. They key assumptions underpinning the fair value of the embedded derivative relate to the expected future share price of the Group and the Sterling to Euro exchange rate. The fair value has been determined using the Black-Scholes valuation model.

Financial instruments not measured at fair value
The Group's financial assets and liabilities that are not measured at fair value are held at amortised costs. Due to their short-term nature, the carrying value of these financial instruments approximates their fair value. Their carrying values are as follows:

Financial assets	**31 Aug 2022 £'000**	28 Feb 2022 £'000
Cash and cash equivalents	**24,058**	13,964
Deferred consideration receivable	**3,525**	3,482
Trade and other receivables	**36,194**	38,252
Total	**63,777**	55,698

Financial liabilities	**31 Aug 2022 £'000**	28 Feb 2022 £'000
Trade and other payables	**6,297**	7,779
Deferred and contingent consideration	**4,968**	4,666
Lease liabilities	**5,791**	8,506
Loans and borrowings	**22,254**	23,254
Total	**39,310**	44,205

At 31 August 2022, trade and other payables of £41.5m (2021: £38.6m were recognised on the balance sheet, which included a bonus accrual of £28.6m (2021: £15.1m) and deferred income of £0.2m (2021: £0.1m), which are not financial liabilities, and are not included in the table above.

15 Share capital

	Number of shares (thousands)	Ordinary shares £'000	Share premium £'000	Total £'000
At 1 March 2021	**31,731**	**3,174**	**52,510**	**55,684**
Issue of shares	264	25	-	25
At 31 August 2021	**31,995**	**3,199**	**52,510**	**55,709**
Issue of shares	211	22	520	542
At 28 February 2022	**32,206**	**3,221**	**53,030**	**56,251**
Issue of shares	260	26	-	26
At 31 August 2022	**32,466**	**3,247**	**53,030**	**56,277**

In the six months ended 31 August 2022 the total number of ordinary shares of 10 pence each in issue has increased from 32,205,590 to 32,465,878.

16 ESOP reserve

An Employee Share Ownership Plan ("ESOP") was established on 23 January 1995. The ESOP has been set up to purchase shares in the Company. These shares, once purchased, are held in trust by the Trustee of the ESOP, SG Kleinwort Hambros Trust Company (CI) Limited, for the benefit of the employees. Additionally, an Employee Benefit Trust ("EBT") previously run by ACM Shipping Group plc also holds shares in the Company. The ESOP and EBT are accounted for within the Company accounts.

The ESOP reserve represents a deduction from shareholders' funds and a reduction in distributable reserves The deduction equals the net purchase cost of the shares held in by the ESOP. Shares allocated by the ESOP to satisfy share awards issued by the group are released at cost on a FIFO basis.

Group and Company	£'000
At 1 March 2021	**1,362**
New shares fully paid up and issued to the ESOP	25
Shares acquired by the ESOP	4,152
ESOP shares allocated	(1,659)
At 31 August 2021	**3,880**
Shares acquired by the ESOP	2,891
At 28 February 2022	**6,771**
Shares acquired by the ESOP	4,884
ESOP shares allocated	(4,562)
At 31 August 2022	**7,093**

As at six months ended 31 August 2022, the ESOP held 3,577,830 (2021: 1,309,839) ordinary shares of 10 pence each and the ACM EBT held 62,290 (2021: 62,290) ordinary shares of 10 pence each.

17 Other reserves

Restated	Note	Capital redemption reserve £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Hedging reserve £'000	Total £'000
At 28 February 2021 (restated)	21	396	24,641	1,622	1,435	28,094
Cash flow hedges						
– Transfer to net profit		–	–	–	(1,084)	(1,084)
– Fair value losses in the period		–	–	–	(276)	(276)
Exchange differences		–	–	942	–	942
Deferred tax on items taken to other comprehensive income		–	–	–	828	828
At 31 August 2021		**396**	**24,641**	**2,564**	**903**	**28,504**
Cash flow hedges						
– Transfer to net profit		–	–	–	(1,043)	(1,043)
– Fair value losses in the period		–	–	–	(79)	(79)
Exchange differences		–	–	56	–	56
Deferred tax on items taken to other comprehensive income		–	–	–	(314)	(314)
At 28 February 2022		**396**	**24,641**	**2,620**	**(533)**	**27,124**
Cash flow hedges						
– Transfer to net profit		–	–	–	2,152	2,152
– Fair value losses in the period		–	–	–	(6,515)	(6,515)
Exchange differences		–	–	2,417	–	2,417
Deferred tax on items taken to other comprehensive income		–	–	–	1,091	1,091
At 31 August 2022		**396**	**24,641**	**5,037**	**(3,805)**	**26,269**

All other reserves are attributable to the equity holders of the parent company.

A correction to the merger reserve has been transferred from share premium has been recognised as a prior period adjustment. See Note 21.

A correction to the hedging reserve and retained earnings in respect of consolidation errors has been recognised as a prior period adjustment. See Note 21.

18 Contingent liabilities

From time to time the Group may be engaged in litigation in the ordinary course of business. The Group carries professional indemnity insurance. There are currently no contingent liabilities expected to have a material adverse financial impact on the Group's consolidated results or net assets.

19 Related party transactions

The Group's related parties are unchanged from six months ended 31 August 2021. There has been no significant related party transaction in the six months ended 31 August 2022. For further information about the Group's related parties, please refer to the Group's Annual Report 2022.

20 Events after the reporting date

During October 2022, the Group formed a new Natural Gas desk through the recruitment of a 10-strong team. The new desk will primarily broke EU gas, UK National Balancing Point (NBP) gas, and LNG, as well as European Union carbon allowances (EUAs).

There were no other adjusting or significant non-adjusting events between the reporting date and the date these condensed financial statements were authorised.

21 Prior period adjustments and change in presentation

As reported in the annual report for the year ended 28 February 2022 the Group identified a number of prior year adjustments to opening reserves and the prior year consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement. As part of the annual report preparation the Group also identified corrections to certain disposals completed in the 6 months to 31 August 2021.

The Group has considered these errors identified and reflected the impact of in a restatement of the opening reserves and results / cashflows for the 6 months to 31 August 2021. The impacts of the restatement are summarised as follows:

Opening reserves

As reported in the annual report for the year ended 28 February 2022 the opening reserves were restated as below, further details are contained within the annual report.

Group	Share capital £'000	Share premium £'000	ESOP reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 28 February 2021 (reported)	3,174	55,805	(1,362)	22,790	(16,780)	63,627
Correction of merger reserve	–	(3,295)	–	3,295	–	–
Correction of Naves acquisition accounting	–	–	–	994	1,299	2,293
Correction of other consolidation errors	–	–	–	1,015	(425)	590
At 28 February 2021 (restated)	**3,174**	**52,510**	**(1,362)**	**28,094**	**(15,906)**	**66,510**

Condensed consolidated income statement and condensed consolidated statement of other comprehensive income

As identified and corrected in the annual report for the year ended 28 February 2022 historic errors were identified in the accounting for the Naves transaction and consideration payable to management – further details of this are included in the annual report. A consequential impact of this error meant that the profit for the 6-month period to 31 August 2021 was overstated by £2.4m. The condensed consolidated income statement has therefore been restated to reduce profit before tax by £2.4m, the material element of this being a reduction in the gain on modification previously recorded of £2.4m to £0.2m.

In addition, the annual report for the year ended 28 February 2022 corrected the disposal accounting for Wavespec and Aqualis Braemar, this had been incorrectly accounted for in the 6-month period to 31 August 2021 (further details of the final accounting are included in the annual report). The impact of the adjustments to the disposal accounting results in a reduction in profit from discontinued operations of £2.0m, with an opposite impact on other comprehensive income in respect of foreign exchange differences arising on translation of foreign operations.

The Group also reclassified £0.9m from cost of sales to operating costs to align with the revised presentation in the annual report for the year ended 28 February 2022.

The cumulative impact of the adjustments was to:

- Increase continuing profit before tax from underlying operations by £0.012m to £4.9m;
- Reduce continuing profit before tax by £2.4m to £4.8m;
- Reduce total profit after tax by £4.4m to £7.0m; and
- Increase in other comprehensive income of £2.0m.

Condensed consolidated statement of cash flows

The above adjustments also impacted the cash flow statement for the 6-month period ended 31 August 2021, whilst there was no impact on the closing cash position the following adjustments arose:

- Decrease in operating cash flow before changes in working capital of £0.9m to £9.6m; and
- Decrease in net cash generated from operating activities of £0.031m with an opposite movement in net cash used in financing activities.

Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting; and
- the interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year 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 year; and

  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the board

James Gundy
Group Chief Executive Officer

Nick Stone
Chief Financial Officer

14 November 2022

INDEPENDENT REVIEW REPORT TO BRAEMAR PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 31 August 2022 is 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 of the United Kingdom’s Financial Conduct Authority.

We have been engaged by the Company to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 31 August 2022 which comprises Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Cash Flow Statement, Condensed Consolidated Statement of Changes in Equity, and the Unaudited Notes to the Financial Statements.

Basis for conclusion

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” (“ISRE (UK) 2410”). 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.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed consolidated set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority 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.

BDO LLP

Chartered Accountants

London

14 November 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)