



Interim Report

Shore Capital Group Limited
Interim results for the six months
ended 30 June 2023

SHORE CAPITAL

Contents

| | |
|--|----|
| Financial Highlights | 3 |
| Chairman’s Statement | 4 |
| Financial Review | 7 |
| Independent review report to Shore Capital Group Limited | 8 |
| Unaudited Condensed Consolidated Income Statement | 9 |
| Unaudited Condensed Consolidated Statement of Comprehensive Income | 10 |
| Unaudited Condensed Consolidated Statement of Financial Position | 11 |
| Unaudited Condensed Consolidated Statement of Changes in Equity | 12 |
| Unaudited Condensed Consolidated Cash Flow Statement | 14 |
| Notes to the Condensed Interim Financial Report | 15 |
| Officers and Professional Advisers | 18 |
| Offices | 19 |

Shore Capital, the independent investment group specialising in capital markets, asset management and principal finance, presents its interim results for the period ended 30 June 2023.

Financial Highlights

| | Six months ended 30 June 2023 | Six months ended 30 June 2022 |
|--------------------------|----------------------------------|----------------------------------|
| Revenue | £32.8m | £31.1m |
| Profit before tax | £4.0m | £2.2m |
| Basic earnings per share | 11.4p | 6.5p |

Chairman's Statement

The Group has recorded revenues of £32.8m and pre-tax profits of £4.0m for the six-month period to 30 June 2023, delivering basic earnings per share of 11.4p.

Whilst the period has continued to be marked by ongoing macroeconomic headwinds, the Group has responded robustly, increasing both its pre-tax profits and earnings per share, as we continue to benefit from our diversified business model.

Our Asset Management business has continued to record excellent inflows across its suite of investment products, growing assets under management to £1.8bn, and delivering a market-leading performance in our flagship evergreen Venture Capital Trust.

Our Capital Markets business continued to operate profitably in very challenging market conditions. The business has supported a number of clients on significant sale and take-private activities and has been active in various secondary capital raises. The business won a number of new retained corporate clients in the period, and is well-placed to benefit when sentiment returns.

Asset Management

The Asset Management division continued its growth trajectory, with AUM increasing to £1.8 bn and year-on-year revenues growing by 12% to £15.9 million, delivering pre-tax profits of £2.2 million.

Puma Investments, the UK fund management business, has recorded strong inflows across its suite of retail investment products.

Our flagship evergreen Venture Capital Trust, Puma VCT 13, filled both its initial and its extended fundraising target in the 2022/23 tax year, securing £50m of new funding to support the growth businesses that are the backbone of the UK economy. Inflows for the Puma Heritage Estate Planning Service and Puma AIM Service continue to grow at impressive rates, with Puma being selected as a preferred panel firm for a growing number of wealth management networks and platforms.

In addition to retail capital, our Puma Property Finance business continues to attract institutional funding, the most recent being a £300 million funding line secured from Waterfall Asset Management in the previous year. This combined firepower has provided the business with the ability to fund larger loans at attractive rates to professional developers across all sectors and geographies in the UK, with the business providing its largest loan to date – a £50 million facility for a build-to-rent development in Manchester – during the period.

Investment performance has remained good, notwithstanding the challenging economic environment. Puma VCT 13 has performed very strongly, topping the Citiwire league tables for generalist VCT performance over the last 3 and 5 years, with returns of 49.1% and 54.2% respectively, exclusive of dividends. Puma Heritage has continued to exceed its target returns for the seventh year in succession. The Puma AIM

Service has maintained its strong record against its key benchmarks, having recorded a lifetime outperformance as at June 2023 of 86% against the AIM Index and 68% against the FTSE All Share Index, and a compound annual growth rate since inception in July 2014 of 6.9% p.a.

The institutional investment companies that we advise, Brandenburg Realty and Puma Brandenburg, continued to implement their targeted asset management initiatives and deliver value for investors. We assisted with the ongoing condo sales programme in Berlin (where the market continues to experience significant shortages in city centre locations), as well as securing some valuable new lettings at materially higher rental levels.

Capital Markets

The Capital Markets business recorded revenues of £16.3 million in the period, in line with the prior year, delivering 50% higher pre-tax profits of £1.6 million.

Market headwinds experienced in 2022 continued into the first half of 2023 with a subdued level of IPOs and secondary fundraisings. Against this backdrop, we have seen an elevated level of public to private transactions in the small to mid-cap space driven by interest from both strategic and financial buyers.

Example of such transactions include Kape Technologies' US\$1.7 billion take-private, Sureserve Group's £214 million recommended cash offer and Crestchic's recommended £122 million cash offer. The business also assisted a number of our clients with follow-on fundraisings.

The Capital Markets team has maintained a strong level of high quality equity capital research, idea generation and corporate advisory services which we believe will be of great benefit when conditions improve.

Our Market Making business has not been immune to the macroeconomic environment, but revenues have remained resilient despite the lower volumes and tighter margins in the market. The team has remained adept at managing risk appropriately throughout the period in the face of challenging trading conditions. The recent timely strengthening of the team with the addition of two senior market makers from Winterflood Securities makes us even better positioned to benefit when investor confidence recovers.

Chairman's Statement (contd.)

Principle Finance

Principal Finance investments recorded an increase in net valuations during the period of £0.6m.

In relation to the Group's interest in German regional radio spectrum licences, we have been informed that the Administrative Court of Cologne has found against us in the injunctive proceedings taken against the German Federal Network Agency. We continue to await the result of our formal appeal of the decision of the German Federal Network Agency to revoke the licences. The licences remain fully impaired. This therefore has no impact on the financial position of the Group.

Current Trading and Prospects

Higher interest rates, a stagnating economy and war in the Middle East present a challenging environment for the coming months.

However, the pressure on financial institutions to maintain ever increasing amounts of regulatory capital has led to a reduction in the availability and an increase in the price of credit. This offers significant opportunities for both our Asset Management business and our Capital Markets business. Our Asset Management business is a significant and rapidly growing provider of debt to a variety of institutional and professional property developers as well as venture capital to exciting scale-up businesses across the UK. With private equity becoming less competitive, Capital Markets should benefit when new equity is required to finance future growth.

The second half of 2023 remains tough and global macro-economic conditions continue to deteriorate. Nevertheless for the reasons set out we anticipate further continued growth in our scale and AUM of our Asset Management business and a significant improvement in our Capital Markets business at some point in the next 6-18 months.

Howard Shore
Chairman

24 October 2023

Financial Review

Income and expenditure

Revenue for the period increased by 5.3% to £32.8 million (period ended 30 June 2022: £31.1 million), whilst administrative expenses increased by 8.8% to £28.9 million (period ended 30 June 2022: £26.6 million).

Operating profit increased by 58.5% to £3.9 million (period ended 30 June 2022: £2.5 million). During the prior year, an impairment of £2.1m was made against the Group's spectrum licences. Statutory profit before tax increased by 78.0% to £4.0 million (period ended 30 June 2022: £2.2 million).

Divisional performance before impairment was as follows:

- Capital Markets: revenue of £16.3 million (period ended 30 June 2022: £16.4 million). Profit before tax of £1.6 million (period ended 30 June 2022: £1.1 million) with a net margin of 9.8% (period ended 30 June 2022: 6.5%).
- Asset Management: revenue of £15.9 million (period ended 30 June 2022: £14.1 million). Profit before tax of £2.2 million (period ended 30 June 2022: £2.8 million) with a net margin of 13.9% (period ended 30 June 2022: 19.8%).
- Principal Finance: pre-tax profit of £0.7 million (period ended 30 June 2022: £0.5 million).

Basic Earnings per Share

The Group generated basic earnings per share of 11.4p (period ended 30 June 2022: 6.5p).

Liquidity

As at the balance sheet date, available liquidity was £39.3 million (30 June 2022: £24.2 million), comprising solely of cash of £39.3 million (30 June 2022: £21.4 million and £2.8 million of gilts and bonds). In addition, the Group had a £20 million working capital facility which was unused at the period end and prior period ends. The facility is renewable annually and pays interest at rates linked to money market rates.

Balance sheet

The Group's balance sheet remains strong, with total equity at the period end of £74.1 million (30 June 2022: £70.3 million).

In addition to the £39.3 million of cash referred to above, at the period end the Group held £4.2 million (30 June 2022: £4.5 million) in various of its Puma Funds; £6.6 million (30 June 2022: £7.1 million) net in quoted equities and a further £0.5 million (30 June 2022: £1.5 million) in other unquoted holdings. The licences held as part of the Group's Spectrum Investments are still carried, after impairment, at £nil (30 June 2022: £nil). Other non-current assets included £3.9 million (30 June 2022: £3.5 million) of fixed assets, and £2.3 million (2022: £2.6 million) of investment properties.

The remainder of the balance sheet was £17.3 million net (30 June 2022: £26.9 million), which included £10.9 million (30 June 2022: £23.3 million) of net market and other debtors in the Group's stockbroking subsidiary.

Net Asset Value per Share

Net asset value per share at the period end was 298.4p (30 June 2022: 284.0p).

Dividend

The Board does not propose to pay an interim dividend for the period (30 June 2022: nil).

Independent review report to Shore Capital Group Limited

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the unaudited condensed consolidated income statement, unaudited condensed consolidated statement of comprehensive income, unaudited condensed consolidated statement of financial position, unaudited condensed consolidated statement of changes in equity, unaudited condensed consolidated cash flow statement and related notes.

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 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

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 a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

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 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 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, UK
Date: 24 October 2023

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

Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2023

| | Notes | Six months ended 30 Jun 2023 £'000 | Six months ended 30 Jun 2022 £'000 | Year ended 31 Dec 22 £'000 |
|------------------------------------|-------|--|--|----------------------------------|
| Revenue | 3 | 32,766 | 31,112 | 61,515 |
| Administrative expenditure | | (28,882) | (26,554) | (53,362) |
| Impairment loss | | | (2,108) | (2,108) |
| Operating profit | | 3,884 | 2,450 | 6,045 |
| Interest income | | 362 | 2 | 102 |
| Finance costs | | (269) | (218) | (417) |
| Profit before taxation | 3 | 3,977 | 2,234 | 5,730 |
| Taxation | | (541) | (605) | (1,030) |
| Profit for the period/ year | | 3,436 | 1,629 | 4,700 |
| Attributable to: | | | | |
| Equity holders of the parent | | 2,452 | 1,404 | 3,085 |
| Non-controlling interests | | 984 | 225 | 1,615 |
| | | 3,436 | 1,629 | 4,700 |
| Earnings per share | | | | |
| Basic | 4 | 11.4p | 6.5p | 14.3p |
| Diluted | 4 | 11.3p | 6.4p | 14.2p |

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2023

| | Six months ended 30 Jun 2023 | Six months ended 30 Jun 2022 | Year ended 31 Dec 22 |
|---|---|------------------------------------|-------------------------|
| | £'000 | £'000 | £'000 |
| Profit after tax for the period/ year | 3,436 | 1,629 | 4,700 |
| Items that may be reclassified to the income statement | | | |
| Exchange difference on translation of foreign operations | (195) | 178 | 125 |
| Other comprehensive income /(loss) for the period/ year, net of tax | (195) | 178 | 125 |
| Total comprehensive income for the period/ year, net of tax | 3,241 | 1,807 | 4,825 |
| Attributable to: | | | |
| Equity holders of the parent | 2,294 | 1,546 | 3,154 |
| Non-controlling interests | 947 | 261 | 1,671 |
| | 3,241 | 1,807 | 4,825 |

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2023

| | Notes | As at 30 Jun 23 £'000 | As at 30 Jun 22 £'000 | As at 31 Dec 22 £'000 |
|--|-------|-----------------------------|-----------------------------|-----------------------------|
| Non-current assets | | | | |
| Property, plant & equipment | | 3,929 | 3,480 | 4,021 |
| Right of use assets | | 5,698 | 6,607 | 6,268 |
| Investment properties | | 2,279 | 2,587 | 2,279 |
| Investments | | 6,666 | 8,071 | 9,180 |
| Deferred tax asset | | 1,241 | 1,728 | 1,241 |
| | | 19,813 | 22,473 | 22,989 |
| Current assets | | | | |
| Trading assets | | 5,688 | 8,318 | 5,576 |
| Trade and other receivables | 6 | 56,288 | 92,782 | 42,070 |
| Derivative financial instruments | | 65 | - | 50 |
| Current tax assets | | 1,234 | - | 1,071 |
| Cash and cash equivalents | | 39,291 | 21,429 | 39,740 |
| | | 102,566 | 122,529 | 88,057 |
| Total assets | 3 | 122,379 | 145,002 | 111,496 |
| Current liabilities | | | | |
| Trading liabilities | | (1,115) | (563) | (572) |
| Trade and other payables | 6 | (41,038) | (66,195) | (31,240) |
| Derivative financial instruments | | - | (136) | (33) |
| Current tax liabilities | | - | (499) | - |
| Lease liabilities | | (1,003) | (1,346) | (1,400) |
| | | (43,156) | (68,739) | (33,245) |
| Non-current liabilities | | | | |
| Lease liabilities | | (5,104) | (5,910) | (5,408) |
| Provision for liabilities and charges | | (59) | (59) | (59) |
| | | (5,163) | (5,969) | (5,467) |
| Total liabilities | 3 | (48,319) | (74,708) | (38,712) |
| Net assets | | 74,060 | 70,294 | 72,784 |
| Capital and reserves | | | | |
| Share capital | | | - | - |
| Share premium | | 1,866 | 1,866 | 1,866 |
| Merger reserve | | 14,903 | 14,903 | 14,903 |
| Other reserves | | 1,572 | 1,572 | 1,572 |
| Retained earnings | | 46,040 | 42,918 | 44,377 |
| Equity attributable to equity holders of the parent | | 64,381 | 61,259 | 62,718 |
| Non-controlling interests | | 9,679 | 9,035 | 10,066 |
| Total equity | | 74,060 | 70,294 | 72,784 |

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

| | Share capital | Share premium account | Merger reserve | Other reserves | Retained earnings | Non- controlling interests | Total |
|--|------------------|-----------------------------|-------------------|-------------------|----------------------|----------------------------------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2022 | - | 1,866 | 14,903 | 1,572 | 51,857 | 11,017 | 81,215 |
| Profit for the period | - | - | - | - | 1,404 | 225 | 1,629 |
| Foreign currency translation | - | - | - | - | 1,404 | 225 | 1,629 |
| Total comprehensive income | - | - | - | - | 1,546 | 261 | 1,807 |
| Equity dividends paid | - | - | - | - | (9,708) | - | (9,708) |
| Dividends paid to/rebalancing of non-controlling interest | - | - | - | - | (777) | (2,573) | (3,350) |
| Investment by non-controlling interest in subsidiaries | - | - | - | - | - | 330 | 330 |
| At 30 June 2022 | - | 1,866 | 14,903 | 1,572 | 42,918 | 9,035 | 70,294 |

| | Share capital | Share premium account | Merger reserve | Other reserves | Retained earnings | Non- controlling interests | Total |
|--|------------------|-----------------------------|-------------------|-------------------|----------------------|----------------------------------|--------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 30 June 2022 | - | 1,866 | 14,903 | 1,572 | 42,918 | 9,035 | 70,294 |
| Profit for the period | - | - | - | - | 1,681 | 1,390 | 3,071 |
| Foreign currency translation | - | - | - | - | (73) | 20 | (53) |
| Total comprehensive income | - | - | - | - | 1,608 | 1,410 | 3,018 |
| Dividends paid to/rebalancing of non-controlling interest | - | - | - | - | (149) | (379) | (528) |
| At 31 December 2022 | - | 1,866 | 14,903 | 1,572 | 44,377 | 10,066 | 72,784 |

For the six months ended 30 June 2023

| | Share capital | Share premium account | Merger reserve | Other reserves | Retained earnings | Non- controlling interests | Total |
|--|------------------|-----------------------------|-------------------|-------------------|----------------------|----------------------------------|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2023 | - | 1,866 | 14,903 | 1,572 | 44,377 | 10,066 | 72,784 |
| Profit for the period | - | - | - | - | 2,452 | 984 | 3,436 |
| Foreign currency translation | - | - | - | - | (158) | (37) | (195) |
| Total comprehensive income | - | - | - | - | 2,294 | 947 | 3,241 |
| Dividends paid to/rebalancing of non-controlling interest | - | - | - | - | (631) | (1,161) | (1,792) |
| Capital distribution from subsidiary to non-controlling interests | - | - | - | - | - | (185) | (185) |
| Investment by non-controlling interest in subsidiaries | - | - | - | - | - | 12 | 12 |
| At 30 June 2023 | - | 1,866 | 14,903 | 1,572 | 46,040 | 9,679 | 74,060 |

Unaudited Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2023

| | Notes | Six months ended 30 Jun 23 £'000 | Six months ended 30 Jun 22 £'000 | Year ended 31 Dec 22 £'000 |
|--|-------|--|--|----------------------------------|
| Cash flows from operating activities | | | | |
| Profit for the period/year | | 3,436 | 1,629 | 4,700 |
| Adjustments for: | | | | |
| Depreciation and impairment charges | | 969 | 968 | 1,938 |
| Impairment loss | | - | 2,108 | 2,108 |
| Net Fair value gains on investments | | (313) | (3,080) | (4,808) |
| Interest income | | (362) | (2) | (102) |
| Finance costs | | 269 | 218 | 417 |
| Tax expense | | 541 | 605 | 1,030 |
| Operating cash flows before movements in working capital | | 4,540 | 2,446 | 5,283 |
| (Increase)/decrease in trade and other receivables | 6 | (10,724) | (6,226) | 44,436 |
| Increase/(decrease) in trade and other payables | 6 | 6,256 | (7,427) | (42,485) |
| Increase/(decrease) in trading liabilities | | 543 | (289) | (280) |
| (Increase)/decrease in trading assets | | (112) | 665 | 3,407 |
| Cash generated/(utilised) by operations | | 503 | (10,831) | 10,361 |
| Corporation tax paid | | (704) | (867) | (2,375) |
| Net cash (utilised)/generated by operating activities | | (201) | (11,698) | 7,986 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant & equipment | | (366) | (380) | (1,303) |
| Disposal of investment property | | - | - | 308 |
| Purchase of investments | | - | - | (1,022) |
| Sale of investments | | 2,827 | - | 6,506 |
| Distribution from investments | | - | 8,827 | 3,962 |
| Interest received | | 362 | 2 | 102 |
| Net cash generated by investing activities | | 2,823 | 8,449 | 8,553 |
| Cash flows from financing activities | | | | |
| Repurchase of shares in subsidiaries | | (185) | - | - |
| Investment from non-controlling interests | | 12 | 330 | 330 |
| Payment of lease liabilities | | (702) | (657) | (1,324) |
| Interest paid on lease liabilities | | (173) | (193) | (379) |
| Other interest paid | | (96) | (25) | (38) |
| Dividends paid to equity shareholders | | - | (9,708) | (9,708) |
| Dividends paid to non controlling interests | | (1,792) | (3,350) | (3,878) |
| Net cash utilised by financing activities | | (2,936) | (13,603) | (14,997) |
| Net (decrease)/increase in cash and cash equivalents during the period/year | | (314) | (16,852) | 1,542 |
| Effects of exchange rate changes | | (135) | 189 | 106 |
| Cash and cash equivalents at the beginning of period/year | | 39,740 | 38,092 | 38,092 |
| Cash and cash equivalents at the end of period/year | | 39,291 | 21,429 | 39,740 |

Notes to the Condensed Interim Financial Report

For the six months ended 30 June 2023 (unaudited)

1. Financial information

Basis of preparation

The annual financial statements of Shore Capital Group Limited, the ‘company’ and its subsidiaries (the “Group”) for the year ended 31 December 2022, and the condensed set of financial statements included in this interim financial report for the period ended 30 June 2023, are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union other than for the full disclosure requirements of those standards.

The Annual Report and Accounts of the Group for the year ended 31 December 2022 were issued on 23 March 2023. The auditor’s report on those accounts was not qualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses for the period. However, the nature of estimation means that actual outcomes could differ from those estimates. In preparing the condensed financial statements, the judgement and estimates made by the Directors are consistent with those reported in the December 2022 annual report.

Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman’s statement, together with the financial position of the Group, its liquidity position and borrowing facilities. In addition, the principal risks and uncertainties of the Group are discussed in note 2 to this interim financial report.

The directors consider that the Group has the financial resources to continue in operation for at least 12 months from the date of this interim financial report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as are applied in the Group’s latest audited Annual Report and Accounts for the year ended 31 December 2022. There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning

subsequent to 31 December 2023. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

2. Principal risks and uncertainties

The Group’s policies for managing the risks arising from its activities are set out in the last audited Annual Report and Accounts of the Group that were issued on 23 March 2023. The Group’s activities comprise equity market activities, fund management and investment in alternative assets and property, and its income is therefore subject to the level of general activity, sentiment and market conditions in each of the markets in which it operates.

3. Segmental information

Additional analysis of revenue and results is presented in the Chairman’s Statement.

For management purposes, the Group is organised into business units based on their services, and has four reportable operating segments as follows:

- Capital Markets provides research in selected sectors, broking for institutional and professional clients, market making in small and mid-cap stocks, fixed income broking and corporate broking and advisory for large, mid and small cap companies.
- Asset Management provides advisory services, and manages specialist funds.
- Central Costs comprises the costs of the Group’s central management team and structure
- Principal Finance comprises investments and other holdings acquired, together with principal finance activities conducted, using the Group’s own balance sheet resources.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on operating profit or loss. Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties.

Notes to the Condensed Interim Financial Report (contd.)

| Six months ended 30 June 2023 | Capital Markets £'000 | Asset Management £'000 | Central costs £'000 | Principal Finance £'000 | Total £'000 |
|-------------------------------|-----------------------------|------------------------------|---------------------------|-------------------------------|----------------|
| Revenue | 16,258 | 15,861 | - | 647 | 32,766 |
| Profit/(loss) before tax | 1,587 | 2,217 | (507) | 680 | 3,977 |
| Assets | 82,846 | 18,602 | 1,514 | 19,417 | 122,379 |
| Liabilities | (39,975) | (7,348) | (933) | (63) | (48,319) |

| Six months ended 30 June 2022 | Capital Markets £'000 | Asset Management £'000 | Central costs £'000 | Principal Finance £'000 | Total £'000 |
|--|-----------------------------|------------------------------|---------------------------|-------------------------------|----------------|
| Revenue | 16,389 | 14,178 | - | 545 | 31,112 |
| Profit/(loss) before tax before impairments | 1,058 | 2,814 | (28) | 498 | 4,342 |
| Impairment loss | - | - | - | (2,108) | (2,108) |
| Profit/(loss) before tax | 1,058 | 2,814 | (28) | (1,610) | 2,234 |
| Assets | 108,393 | 10,994 | 1,089 | 24,526 | 145,002 |
| Liabilities | (66,744) | (6,267) | (490) | (1,207) | (74,708) |

| Year ended 31 December 2022 | Capital Markets £'000 | Asset Management £'000 | Central costs £'000 | Principal Finance £'000 | Total £'000 |
|--|-----------------------------|------------------------------|---------------------------|-------------------------------|----------------|
| Revenue | 30,093 | 30,541 | - | 881 | 61,515 |
| Profit/(loss) before tax before impairments | 657 | 6,699 | (283) | 765 | 7,838 |
| Impairment loss | - | - | - | (2,108) | (2,108) |
| Profit/(loss) before tax | 657 | 6,699 | (283) | (1,343) | 5,730 |
| Assets (Note 6) | 71,849 | 13,862 | 3,246 | 22,539 | 111,496 |
| Liabilities (Note 6) | (30,381) | (6,356) | (1,443) | (532) | (38,712) |

For the six months ended 30 June 2023 (unaudited)

4. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:

| | Six months ended 30 Jun 23 £'000 | Six months ended 30 Jun 22 £'000 | Year ended 31 Dec 22 £'000 |
|--|---|--|----------------------------------|
| Earnings (£) | 2,452,000 | 1,404,000 | 3,085,000 |
| Number of shares | | | |
| Basic | | | |
| Weighted average number of shares | 21,573,322 | 21,573,322 | 21,573,322 |
| Diluted | | | |
| Dilutive effect of share option scheme | 212,727 | 212,727 | 212,727 |
| | 21,786,049 | 21,786,049 | 21,786,049 |
| Earnings per share | | | |
| Basic | 11.4p | 6.5p | 14.3p |
| Diluted | 11.3p | 6.4p | 14.2p |

5. Dividends paid

| | Six months ended 30 Jun 23 £'000 | Six months ended 30 Jun 22 £'000 | Year ended 31 Dec 22 £'000 |
|---|---|--|----------------------------------|
| Amounts recognised as distributions to equity holders in the period/year: | | | |
| Final dividend for the year ended 31 December 2021 of 10.0p per share | - | 2,157 | 2,157 |
| Special dividend for the year ended 31 December 2021 of 35.0p per share | - | 7,551 | 7,551 |
| | - | 9,708 | 9,708 |

The directors do not propose to pay an interim dividend for the period ending 30 June 2023.

6. Restatement

Within the comparative figures for the year ended 31 December 2022, each of Trade and Other Receivables and Trade and Other Payables have been restated following a reclassification of £3,509,000 between the two in relation to fees received in advance of being invoiced, so that they are correctly offset against accrued income.

Further copies of this report are available on the Company's website at www.shorecap.gg.

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Andrew Whittaker
Simon Fine
David Kaye
Heydan von Frankenberg
Dr Zvi Marom*
James Rosenwald III*

*Non-executive

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Secretary

Maitland Administration (Guernsey) Limited

Independent Auditor

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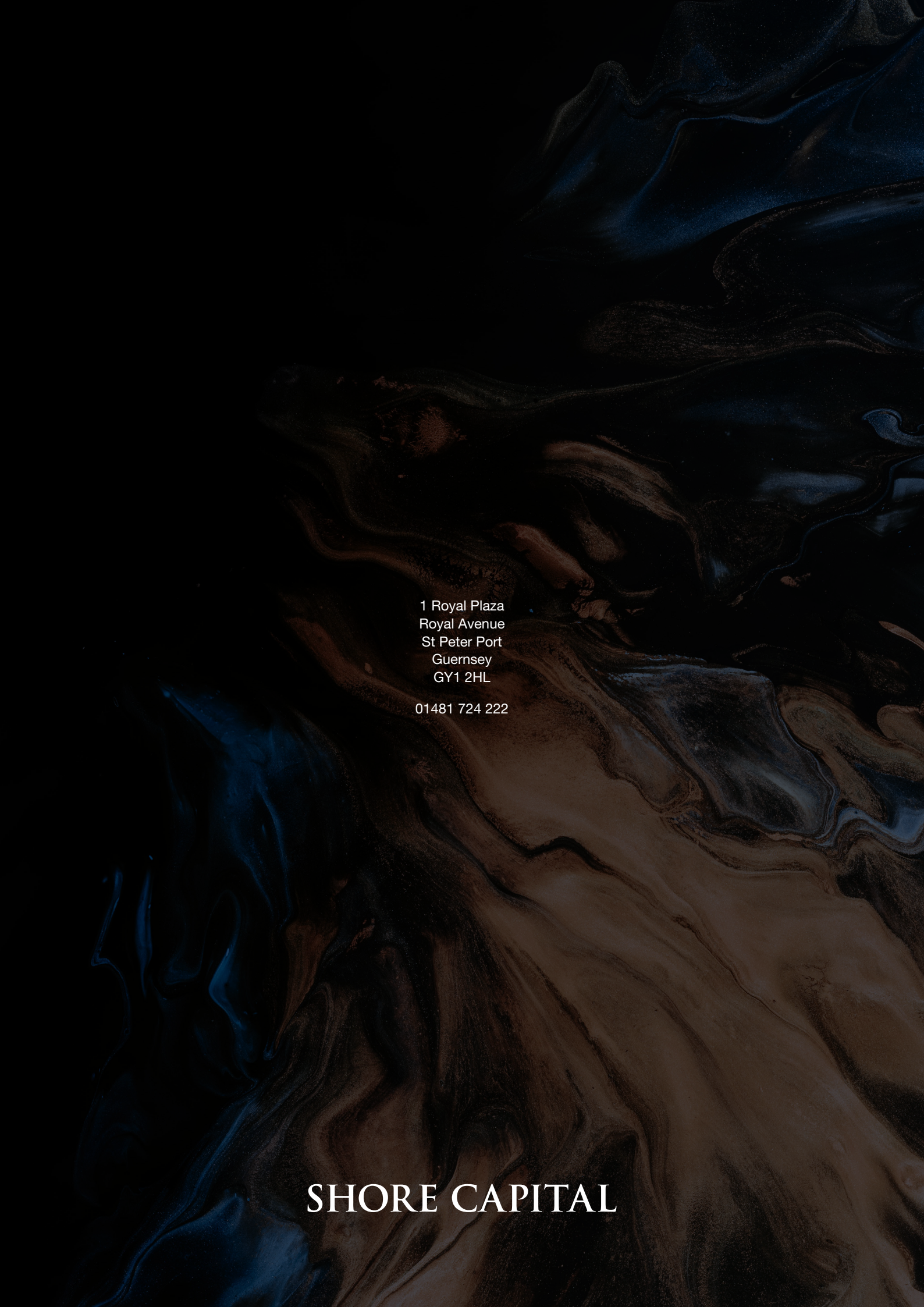
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