

SHORE CAPITAL

Shore Capital Group Limited

("Shore Capital," the "Group" or the "Company")

Financial results for the year ended 31 December 2024

Shore Capital, the independent investment group specialising in asset management, capital markets and principal finance, presents its results for the year ended 31 December 2024.

Financial highlights

	2024	2023
Revenue	£72.2m	£65.2m
Profit before tax	£10.6m	£7.5m
Basic earnings per share	23.6p	18.0p

Chairman's Statement

The Group recorded revenues of £72.2m and pre-tax profits of £10.6m for the year to 31 December 2024, delivering basic earnings per share of 23.6p. This represents an increase in pre-tax profits and earnings per share of 42% and 31% respectively. Our diversified business model continues to serve us well.

Our Asset Management business has delivered a strong performance, attracting excellent inflows across its suite of retail investment products, growing market share and expanding operations with the opening of a third UK office, in Edinburgh.

Our Capital Markets business continued to operate profitably in ongoing challenging market conditions. The business has supported its clients on sale, take-private and secondary fundraising activities in the period, as well as winning new retained clients and investing across its team to position ourselves well as market sentiment starts to improve.

Asset Management

The Asset Management division continued its growth trajectory, with annual revenues growing by 18% to £41.0 million, delivering pre-tax profits of £10.4 million, 54% higher than in the previous year.

Puma Investments, the UK fund management business, has recorded strong inflows across its suite of retail investment products, whilst deployment levels have grown in a more benign investment environment. The Puma offerings are increasingly being selected on preferred panels for a growing number of wealth management networks and platforms. Ongoing momentum in the business led to the opening of the business' third UK office during the year, in central Edinburgh, providing direct access to origination in the Scottish market.

Our Puma Growth Partners division secured a record £60 million of new funding in the calendar year, including again filling both the initial and extended fundraising targets for our flagship evergreen Venture Capital Trust, Puma VCT 13. The business therefore benefits from available deployable funds both to support existing portfolio companies and to take advantage of a lower valuation environment for new investments. The year also saw external recognition in the shape of the Most Impactful Investment award at the Growth Investor Awards for our investment into Transreport, and the Fintech of the Year award for our investment into Aveni.

In our Puma Property Finance division, our Puma Heritage Estate Planning Service is rapidly approaching £400m of net asset value, and during the year exceeded its target investor return for the eighth year in succession. The Service continues to raise funds at an impressive rate, providing significant firepower to grow further market share in UK development and stabilisation lending to the commercial and residential property markets. The business arranged over £300 million of new loans during the year, with borrowers

often including global asset management and private equity houses. Additionally, we have been making progress towards the launch of a discretionary institutional platform to deploy funds in the lending strategy and have been advancing discussions with potential partners.

Demand for our Puma AIM Service has remained robust during the year, supported by our long term and consistent outperformance of our benchmark indices, albeit with some slowing of inflows following the announcements made in the Budget in October. AUM at the year-end was £237m, at which date the Service had delivered a compound annual growth rate since inception of 6.0% vs -0.8% for the AIM Index and 2.1% for the FTSE All Share Index.

The Group continues to assist Brandenburg Realty with the implementation of its strategies for residential and commercial real estate assets. During the period, the sale of condos continued, with sales notarised at a number of Berlin properties, allowing the fund to make further reductions to its gearing.

Capital Markets

The Capital Markets business recorded revenues of £31.7 million in the year, an increase of 7%, delivering pre-tax profits of £1.0 million, an increase of 33% on the previous year.

Market conditions remained challenging throughout 2024, with the UK Election and then concerns around the Budget in October contributing to reduced capital markets activity. The subdued level of IPOs seen in the first half of the year persisted into the second half. However, there was a pick-up in secondary fundraisings towards the end of the year with investors particularly supportive of companies seeking to finance acquisitions with new equity.

The strong positive reputation of the firm around its entrepreneurialism, high-quality equity research and strong service levels has meant that ten new brokerships were won, further strengthening our franchise across a number of sectors, with several clients upgrading Shore Capital to sole broker in recognition of our continuing high level of client service.

Our Market Making business performed particularly strongly in the year, increasing revenues by over 50% and growing market share, and was ranked 2nd largest on LSE by volume of shares traded during 2024. The team was further strengthened with some key new hires joining in the year.

Within a challenging primary and secondary market context, our Research and Equity Sales teams remained focused on seeking to identify equity valuation anomalies and to support our strong corporate client list with market understanding and largely secondary fundraising activities.

Our Capital Markets franchise remains highly respected and valued in the equity research market, which in turn supports our high-quality corporate broking list and execution presence. Backed by further investment across our teams, the business remains well placed to benefit as and when equity markets sustain better primary and secondary momentum.

Principal Finance

Principal Finance investments recorded a decrease in net valuations during the year of £0.5m, this reduction being offset by £0.6m interest earned on our strong cash holdings.

Howard Shore
Chairman
7 April 2025

Financial review

Income and expenditure

Revenue for the year increased by 10.8% to £72.2 million (2023: £65.2 million), whilst administrative expenses increased by 7.7% to £63.0 million (2023: £58.4 million).

Group operating profit increased by 38.1% to £9.3 million (2023: £6.7 million). Statutory profit before tax was £10.6 million (2023: £7.5 million).

Divisional performance was as follows:

- Asset Management: revenue of £41.0 million (2023: £34.7 million). Profit before tax was £10.4 million (2023: £6.8 million) with a net margin of 25.5% (2023: 19.6%).
- Capital Markets: revenue of £31.7 million (2023: £29.6 million). Profit before tax was £1.0 million (2023: £0.8 million) with a net margin of 3.2% (2023: 2.6%).
- Principal Finance: profit before tax was £0.1 million (2023: £1.1 million).

Further commentary on the performance of each division is given in the Chairman's Statement.

Basic Earnings per Share

The Group generated earnings per share of 23.6p (2023: 18.0p).

Liquidity

As at the balance sheet date, available liquidity was £45.3 million, comprising solely of cash (2023: £44.7 million). In addition, the Group had a working capital facility of £10 million which was unused at the year end.

Capital resources

Capital resources in our regulated businesses were on average more than four times FCA requirements.

Balance sheet

The Group's balance sheet remains strong. Total equity at the year end was £76.1 million (2023: £74.4 million), the movement reflecting the profit generated in the year less dividends and capital distributions paid to shareholders and minority interests.

In addition to the £45.3 million of cash referred to above, at the year end the Group held £3.1 million (2023: £4.2 million) in various of its Puma Funds; £7.0 million (2023: £3.3 million) net in quoted equities and a further £0.5 million (2023: £0.5 million) in other unquoted holdings. Other non-current assets included £4.0 million (2023: £4.4 million) of fixed assets, and £2.1 million (2023: £2.3 million) of investment properties.

The remainder of the balance sheet was £14.1 million net (2023: £15.0 million), which included £12.1 million (2023: £6.1 million) of net market and other debtors in the Company's stockbroking subsidiary.

Net Asset Value per Share

Net asset value per share at the year end was 304.3p (2023: 302.4p).

Dividend

Following a vote at a General Meeting held on 19 February 2025, it is expected that the Group will be delisting from the Bermuda Stock Exchange on Wednesday, 21 May 2025. The last day that the company will purchase any remaining shares arising from underlying fractional entitlements will be on Wednesday, 14 May 2025. The Group proposes to pay an ordinary dividend of £500.00 per new share (equivalent to 20.0 pence per old share) for the year ended 31 December 2024 (2023: £375.00 per new share, equivalent to 15.0 pence per old share). The shares will be marked ex-dividend on Tuesday, 27 May 2025 and the dividend is expected to be paid on Friday, 6 June 2025 to shareholders on the register as at Wednesday, 28 May 2025.

Unaudited Consolidated Income Statement

For the year ended 31 December 2024

	Notes	2024	2023
		£'000	£'000
Revenue		72,226	65,157
Administrative expenditure		(62,952)	(58,443)
Operating profit		9,274	6,714
Interest income		1,796	1,245
Finance costs		(400)	(468)
Share of results in associates		(80)	(39)
		1,316	738
Profit before taxation		10,590	7,452
Taxation		(1,998)	(1,425)
Profit for the year		8,592	6,027
Attributable to:			
Equity holders of the parent		5,032	3,871
Non-controlling interests		3,560	2,156
		8,592	6,027
Earnings per share			
Basic	3	23.6p	18.0p
Diluted	3	23.4p	17.8p

All transactions are in respect of continuing operations.

Unaudited Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	2024	2023
	£'000	£'000
Profit after tax for the year	8,592	6,027
Items that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations	(85)	(68)
Other comprehensive loss during the year, net of tax	(85)	(68)
Total comprehensive income for the year, net of tax	8,507	5,959
Attributable to:		
Equity holders of the parent	4,951	3,828
Non-controlling interests	3,556	2,131
	8,507	5,959

Unaudited Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 £'000	2023 £'000
Non-current assets			
Property, plant & equipment		4,017	4,368
Right of use assets		5,474	5,128
Investment properties		2,120	2,279
Investments in associates		131	111
Investments		3,214	4,269
Deferred tax asset		1,326	1,057
		<u>16,282</u>	<u>17,212</u>
Current assets			
Trading assets		9,825	4,300
Trade and other receivables		48,243	37,894
Derivative financial instruments		112	35
Tax assets		-	1,118
Cash and cash equivalents		45,273	44,699
		<u>103,453</u>	<u>88,046</u>
Total assets	2	<u>119,735</u>	<u>105,258</u>
Current liabilities			
Trading liabilities		(2,426)	(530)
Trade and other payables		(33,634)	(24,850)
Tax liabilities		(485)	-
Lease liabilities		(1,737)	(7)
		<u>(38,282)</u>	<u>(25,387)</u>
Non-current liabilities			
Lease liabilities		(5,306)	(5,404)
Provision for liabilities and charges		(64)	(59)
		<u>(5,370)</u>	<u>(5,463)</u>
Total liabilities	2	<u>(43,652)</u>	<u>(30,850)</u>
Net assets		<u>76,083</u>	<u>74,408</u>
Capital and reserves			
Share capital		-	-
Share premium		1,866	1,866
Merger reserve		14,336	14,336
Other reserves		1,572	1,572
Retained earnings		47,015	46,600
Equity attributable to equity holders of the parent		<u>64,789</u>	<u>64,374</u>
Non-controlling interests		11,294	10,034
Total equity		<u>76,083</u>	<u>74,408</u>

Unaudited Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Non- controlling interests £'000	Total £'000
At 1 January 2023	-	1,866	14,903	1,572	44,377	10,066	72,784
Profit for the year	-	-	-	-	3,871	2,156	6,027
Foreign currency translation	-	-	-	-	(42)	(26)	(68)
Total comprehensive income	-	-	-	-	3,829	2,130	5,959
Dividends paid to non controlling interests/ rebalancing of non controlling interest	-	-	-	-	(759)	(1,509)	(2,268)
Repurchase/ cancellation of own shares	-	-	(567)	-	-	-	(567)
Capital distribution from subsidiary to non-controlling interests	-	-	-	-	-	(160)	(160)
Increase in controlling interest in subsidiary	-	-	-	-	(847)	(505)	(1,352)
Investment by non controlling interest in subsidiaries	-	-	-	-	-	12	12
At 31 December 2023	-	1,866	14,336	1,572	46,600	10,034	74,408

Unaudited Consolidated Statement of Changes in Equity (continued)

For the year ended 31 December 2024

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Non- controlling interests £'000	Total £'000
At 1 January 2024	-	1,866	14,336	1,572	46,600	10,034	74,408
Profit for the year	-	-	-	-	5,032	3,560	8,592
Foreign currency translation	-	-	-	-	(81)	(4)	(85)
Total comprehensive income	-	-	-	-	4,951	3,556	8,507
Equity dividends paid (note 4)	-	-	-	-	(3,193)	-	(3,193)
Dividends paid to non controlling interests/ rebalancing of non controlling interest	-	-	-	-	(1,343)	(2,304)	(3,647)
Investment by non controlling interest in subsidiaries	-	-	-	-	-	8	8
At 31 December 2024	-	1,866	14,336	1,572	47,015	11,294	76,083

Unaudited Consolidated Cash Flow Statement

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year		8,592	6,027
Adjustments for:			
Depreciation and impairment charges	2	2,391	1,998
Loss on disposal of fixed asset		27	31
Net fair value losses/ (gains) on Investments		227	(484)
Revaluation of investment properties		34	-
Share of results of associate		80	39
Increase in provision for national insurance on share options		5	-
Interest income		(1,796)	(1,245)
Finance costs		400	468
Tax expense		1,998	1,425
		<hr/>	<hr/>
Operating cash flows before movements in working capital		11,958	8,259
(Increase)/ decrease in trade and other receivables		(10,426)	4,191
Increase/ (decrease) in trade and other payables		8,784	(6,423)
Increase/ (decrease) in trading liabilities		1,896	(42)
(Increase)/ decrease in trading assets		(5,525)	1,176
		<hr/>	<hr/>
Cash generated by operations		6,687	7,161
Corporation tax paid		(689)	(1,288)
		<hr/>	<hr/>
Net cash generated by operating activities		5,998	5,873
Cash flows from investing activities			
Purchase of property, plant & equipment		(775)	(1,251)
Disposal of investment property		125	-
Investment in associate		(100)	(50)
Purchase of Investments		(28)	(38)
Sale of Investments		856	5,433
Interest received		1,796	1,245
		<hr/>	<hr/>
Net cash generated by investing activities		1,874	5,339
Cash flows from financing activities			
Repurchase / cancellation of own shares		-	(567)
Increase in controlling interest in subsidiary		-	(1,320)
Investment from / (capital distribution to) non controlling interests		8	(148)
Payment of lease liabilities		(14)	(1,397)
Interest paid on lease liabilities		(306)	(334)
Other interest paid		(94)	(134)
Dividends paid to equity shareholders		(3,193)	-
Dividends paid to non controlling interests		(3,647)	(2,268)
		<hr/>	<hr/>
Net cash used in financing activities		(7,246)	(6,168)
Net increase in cash and cash equivalents			
		626	5,044
Effects of exchange rate changes		(52)	(85)
Cash and cash equivalents at the beginning of the year		44,699	39,740
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year		45,273	44,699

1. Accounting Policies

Basis of preparation

The consolidated annual financial statements of Shore Capital Group Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

Presentation of the financial statements and financial information

The financial information set out in this announcement does not constitute the Company’s statutory accounts for the year ended 31 December 2024 within the meaning of section 244 of the Companies (Guernsey) Law, 2008.

The financial information for the year ended 31 December 2023 is derived from the statutory accounts of the Group for that year. The auditors reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under section 263(2) or (3) of the Companies (Guernsey) Law, 2008. Those accounts were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The audit of the statutory accounts of Shore Capital Group Limited for the year ended 31 December 2024 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement.

The statutory accounts will be prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union. Details of the accounting policies that will be applied in the statutory accounts are set out in the 2023 consolidated annual financial statements of the Group.

Going concern

The Group continues to adopt the going concern basis in preparing the financial statements.

2. Segment 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:

- Asset Management provides advisory services, and manages specialist funds.
- 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.
- Principal Finance comprises investments and other holdings acquired, together with principal finance activities conducted, using the Group’s own balance sheet resources.
- Central Costs comprises the costs of the Group’s central management team and structure.

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 revenue and profit or loss before tax. Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties.

Year ended 31 December 2024	Asset Management £'000	Capital Markets £'000	Principal Finance £'000	Central costs £'000	Total £'000
Revenue	40,971	31,738	(483)	-	72,226
Depreciation	(1,333)	(922)	-	(136)	(2,391)
Interest income	258	921	610	7	1,796
Interest expense	(139)	(234)	-	(27)	(400)
Profit/(loss) before tax	10,443	1,013	81	(947)	10,590
Assets	17,567	69,628	30,345	2,195	119,735
Liabilities	(12,524)	(29,650)	(82)	(1,396)	(43,652)

Year ended 31 December 2023	Asset Management £'000	Capital Markets £'000	Principal Finance £'000	Central costs £'000	Total £'000
Revenue	34,706	29,630	821	-	65,157
Depreciation	(943)	(905)	-	(150)	(1,998)
Interest income	74	764	400	7	1,245
Interest expense	(164)	(279)	-	(25)	(468)
Profit/(loss) before tax	6,774	761	1,103	(1,186)	7,452
Assets	10,952	63,148	27,911	3,247	105,258
Liabilities	(8,093)	(21,148)	(342)	(1,267)	(30,850)

3. Earnings per Share

The earnings and number of shares in issue or to be issued used in calculating the earnings per share and diluted earnings per share in accordance with IAS 33 were as follows:

	2024		2023	
	Basic	Diluted	Basic	Diluted
Earnings (£)	5,032,000	5,032,000	3,871,000	3,871,000
Number of shares	21,289,915	21,502,642	21,522,852	21,735,579
Earnings per share (p)	23.6	23.4	18.0	17.8

Calculation of number of shares

	2024		2023	
	Basic	Diluted	Basic	Diluted
Weighted average number of shares	21,289,915	21,289,915	21,522,852	21,522,852
Dilutive effect of share option schemes	-	212,727	-	212,727
	21,289,915	21,502,642	21,522,852	21,735,579

As at 31 December 2024 there were 21,289,915 ordinary shares in issue (2023: 21,289,915).

4. Rates of Dividends Paid and Proposed

	2024 £'000	2023 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2023 of 15.0p per share	3,193	-
	<u>3,193</u>	<u>-</u>

The directors propose to pay an ordinary dividend of £500.00 per new share (equivalent to 20.0 pence per old share) for the year ended 31 December 2024 (2023: £375.00 per new share, equivalent to 15.0 pence per old share).