15 December 2021

VSA CAPITAL GROUP PLC
("VSA Capital" "VSA" or the "Company")

UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

VSA Capital Group plc (AQSE: VSA), announces its interim results for the half year ending 30 September 2021.

Chairman's Interim Report

I am delighted to introduce the first interim report since the Company floated on the Aquis Growth Market on 9 September 2021.

On 31 March 2021, the Company acquired VSA Capital Limited ("VSA Capital"), an international investment banking and broking firm with offices in London and Shanghai, and a joint venture in Kenya. VSA Capital provides corporate finance, advisory and capital markets services to growth companies, both private and public, across multiple sectors with a particular focus on natural resources, transitional energy, alternative energy, consumer products and Technology, Media and Telecoms ("TMT"). On that date, VSA Capital Group plc changed its status from being an investing company to being an operating group. In practical terms, this means that reporting is now being made under IFRS reporting standards, consolidating the results and balance sheets of its 100% owned (and other future controlled) subsidiaries, rather than as a standalone company.

This report presents VSA Capital Group plc as a trading group quoted on the AQSE Growth Market. Its stated objective has been to generate an attractive rate of return for shareholders, predominantly through capital appreciation, by taking advantage of opportunities principally to invest in the TMT and financial services sectors, including in other investment companies.

We are reporting losses; however, results would have been significantly better if there had not been delays in closing some of our deals – for example the IPO of Tungsten West plc, which was due to close in September but slipped into October, brought in over £1m of revenue. Clearly this income will make a significant positive impact on the Group's performance in the second half.

Furthermore, VSA Capital's strategy is to hold investments in its corporate clients. We expect our investments in Tectonic Gold plc (specialist Intrusion Related Gold System – IRGS - explorer), Invinity Energy Systems plc (founded to build utility-grade energy storage - flow battery provider) and Samarkand Global plc (cross-border eCommerce technology company focused on Western brands selling into China), amongst others, to give us a good return as they execute further on their business plans.

In the immediate future we will focus on deriving value from our wholly owned subsidiary, VSA Capital Limited. That focus will be led by our CEO, Andrew Monk, leveraging the significant increase in the Group's balance sheet and the Company's absolute determination to be a strong player advising and raising funds for small and medium sized public and private companies internationally.

Mark Steeves
Chairman

15 December 2021

CEO Interim report

The last 21 months since the Coronavirus pandemic broke out have been unprecedented for everyone, and our industry has seen extraordinary conditions and market activity has picked up considerably. Larger broking firms with large, retained client bases have executed unprecedented numbers of secondary fundraises. At VSA Capital we have a smaller retained client base and so have not benefitted as much, but there has been no doubt that getting deals funded has become considerably easier and the IPO market has been wide open and as a firm we have benefited. We have been very careful though to ensure that where we have brought a company to the market, we have priced it correctly to get a good result for the company, for its existing shareholders and new investors joining the shareholder list. In our view, this is vital to maintain our reputation as well as to protect the longer-term interests of the company concerned. Too many large IPOs have been badly priced and led to an uncomfortable aftermarket. To quote a well-known fund manager “everyone needs a party balloon” and we endorse that.

At first it appears disappointing to report an EBITDA loss of £2,700 and a loss of £238,400. Sadly, in today's world accounting practices don't always reflect a true indication of a company's performance. If you looked at our internal management accounts which we use to really understand the performance of the company, they show a profit of £56,000. EBITDA is not my preferred measure but does eliminate issues such as amortisation of unused staff holidays and amortisation of property leases which really are not appropriate. I am not a fan of adjusted profits, but we did incur a one off cost of our IPO. In my view the best measure of a company’s performance is cash flow but again because we often take equity instead of cash so this can give a false impression and growth of net assets is perhaps a better measure for VSA. The fact that accounting has now got overly complicated does mean that there are opportunities for good analysis to show when markets have wrongly priced equities and that can be hugely beneficial to those such as ourselves who are capable of that sort of analysis.

Whatever measure of profit or loss you take it is already totally out of date. VSA Capital has always been second half biased and our expectation for the full year are unchanged. September 30th is just a date and doesn’t give a full picture. In the two and a half months since our interim period end the business has performed very strongly. Our pipeline for the final quarter is also healthy. Having said that one should never take these market conditions for granted and so we constantly aim to build on our corporate client list and be creative with new deals and use clever thinking to solve issues faced by companies. We also, alongside that, maintain a tight control on our cost base.

The last 21 months has been a challenging time for managing a business when lockdowns are imposed by our government. Since lockdown ended on July 19th there has been a lot of debate about the pros and cons of working from home (“WFH”). At VSA we believe that the office environment is very important for a variety of reasons, but also recognise that in other industries these may not apply. The office encourages good regular communication and idea generation, which is at the heart of our industry. It allows junior staff to learn and so needs senior staff to pass on knowledge. Furthermore, it creates a much healthier social life, interacting with other people and not being stuck in maybe a one-bedroom flat all day and night. We have also seen from experience that when doing deals, investing clients who had a physical 1:1 meeting have always invested significantly more than those who attended meetings via a video call. For that reason, we have actively encouraged staff to return to the office within Government guidelines and ensuring we have a safe environment with weekly COVID testing. What this has also allowed us is to take a pragmatic approach to give employees flexible working arrangements when it is appropriate, and I believe the team spirit at VSA is currently as strong, if not better, than ever. Having everyone in the office means that we were not in a position to downsize when we moved office at the end of November to Park House on Finsbury Circus.

I am delighted that we achieved a successful IPO on the Aquis Growth Market. As well as ensuring we have a strong core business, we stated in our Admission Document three pillars of growth. We are firm supporters of Aquis as an alternative market to the LSE. In the last six months we have continued to grow our client list on Aquis and I believe we can regard ourselves as the leading adviser for this market. London needs a competitive environment to grow post Brexit and a serious competitor to the LSE will stimulate demand and activity and we believe it is inevitable that Aquis will become the “Nasdaq of London”. That was a major reason we listed VSA on Aquis. We have an unprecedented strength and knowledge across the whole value chain of the Transitional Energy revolution from mine to battery and grid services, across solar, wind and hydrogen through to energy storage and then also to EV charging and e-mobility. The world is going through an unprecedented change and smart cities are the future; at VSA we understand the whole process and value chain. Our Third pillar is our international capability with our office in Shanghai and joint ventures in Africa. This has not been easy due to the pandemic and the inability to travel and until travel resumes, especially to China, cross border activity is likely to stay subdued; however, in the longer term this capability can become very valuable, and it is not easy to build.

We have also in the interim period being reported on had other useful areas of growth for the business. The most notable being the growing of a 'qualified investor base' of High Net Worth ('HNW'] investors. We have added over 200 HNWs and this additional pool of capital has proved very valuable for our transactions, and we will continue to grow it. The deal size of these investors has surprised us and ranges between £10,000 and £2mn, with many quite happy to commit around £100,000 per deal. We believe this is an area that is undergoing major change as institutional brokers look to get access to retail investors who are very active in the market. The Retail Distribution Review had the unintended consequences of pushing retail investors away from institutional brokers and yet they are a key part of any listed company's shareholder base. At VSA we are pro retail activity but also know we must stick within FCA rules. This is why we pre-qualify our investor base and also reach out to all investors through regular podcasts and video blogs and have also taken the stance of being "Broker Exempt" under MIFID 2 so that we can distribute our research openly and not just to institutions that pay us. We believe this puts us at an advantage to our peer group who have not taken that approach.

The JV with the Shanghai Mining Club and Investing in African Mining Indaba had a successful hybrid conference in October in Beijing. In the last few years, it has grown from five companies at the beginning to 12 last year, and this year to 22; we hope next year to get to 35/40 companies, and we will then be the established western broker holding an annual mining conference in Beijing. We have found that companies involved in this conference are then very receptive to becoming corporate clients of VSA directly.

I have also been pleased in general with the other joint ventures we have in bond trading, asset management and our crypto/blockchain business Benjiami.

In summary it has been a great six months although very hard work, and we expect that to continue for the next six months and hopefully much longer, but we have a good growth plan at VSA that is not competing with others and so regardless of market conditions we can grow and be confident of the outlook. Our staff are our most important asset, and so I am pleased to see a strong team spirit and thank them for their support also of VSA.

Andrew Monk
CEO

15 December 2021

The directors of the Company take responsibility for this announcement.

For further information, please contact:

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GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD TO 30 SEPTEMBER 2021

	Six months ended 30 September 2021 Unaudited £'000	Six months ended 30 September 2020 Unaudited £'000	Year ended 31 March 2021 Audited £'000
	£	£	£
Turnover	**1,163**	**-**	-
Cost of sales	**-**	-	-
Gross profit	**1,163**	**-**	-
Administrative expenses	**(1,398)**	**(10)**	(20)
Operating (loss) / profit	**(235)**	**(10)**	(20)
Finance income	**-**	**11**	214
Interest receivable	**-**	**-**	-
Finance costs and similar charges	-	**-**	-
(Loss) / profit on ordinary activities before taxation	**(235)**	**1**	194
Tax on profit/loss on ordinary activities	**3**	**-**	-
(Loss) / profit for the year	**(238)**	**1**	194
Other Comprehensive income	**-**	**-**	-
Total Comprehensive income	(238)	1	194

Earnings per share – profit after tax

	pence	pence	pence
Basic	(1.2)	11.3	106.5
Diluted	(0.8)	10.3	66.4

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	As at 30 September 2021 Unaudited £'000	As at 30 September 2020 Unaudited £'000	As at 31 March 2021 Audited £'000
Non-current assets			
Property, plant and equipment - right of use	234	0	297
Property, plant and equipment - owned	11	0	12
Intangible Assets	1,488	0	1,654
Total non-current assets	**1,733**	**0**	**1,963**
Current assets			
Trade and other receivables	876	1	235
Investments	1,152	72	1,164
Cash and cash equivalents	814	25	1,864
Total current assets	**2,842**	**98**	**3,263**
Total assets	**4,575**	**98**	**5,226**
Current liabilities			
Trade and other payables	565	1	1,055
Finance liabilities - borrowings	104	0	136
Total current liabilities	**669**	**1**	**1,191**
Non-current liabilities			
Finance liabilities - borrowings	23	0	59
Total non-current liabilities	**23**	**0**	**59**
Total liabilities	**692**	**1**	**1,250**
Equity			
Share Capital	3,524	136	3,645
Share premium account	418	2	178
Share-based payments reserve	52	26	26
Accumulated profits/(losses)	(111)	(66)	127
Total equity	**3,883**	**98**	**3,976**
Total Equity and Liabilities	**4,575**	**99**	**5,226**

CONSOLIDATED GROUP CASHFLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
	Unaudited	Unaudited	Unaudited
	£'000	£'000	£'000
Cash flows from operating activities			
Profit / (loss) before income tax	(238)	1	194
Tax paid	-	-	-
Depreciation and amortisation	232	-	-
Gains on current asset investments	(110)	(12)	(214)
(Increase)/decrease in trade / other receivables	(641)	8	7
Increase/(decrease) in trade / other payables	(490)	-	-
Change in share based payments reserve	25	-	-
NET CASH USED IN OPERATING ACTIVITIES	(1,222)	(3)	(13)
Cash flows from investing activities			
Purchase of subsidiary undertaking	-	-	(3,874)
Purchase of plant, property and equipment	(2)	-	-
Proceeds from other investing activities	124	-	199
NET CASH GENERATED FROM INVESTING ACTIVITIES	122	-	(3,675)
Cash flows from financing activities			
Share capital issue	118	-	3,685
Finance repayments	(68)	-	
NET CASH GENERATED FROM FINANCING ACTIVITIES	50	-	3,685
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,050)	(3)	(3)
Cash and cash equivalents at beginning of period	1,864	28	28
Cash acquired with subsidiary undertaking	-	-	1,839
CASH AND CASH EQUIVALENTS AT END OF PERIOD	814	25	1,864

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD TO 30 SEPTEMBER 2021

1 General Information

VSA Capital Group plc is a listed public limited company (Aquis: VSA) incorporated in the UK and registered in England and Wales (Company Number 04918684). The Company's registered office is at Park House, 16-18 Finsbury Circus, London, EC2M 7EB.

These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2021 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim financial statements for the six months ended 30 September 2021 are unaudited and have not been reviewed by the Company's auditors Hilden Park Accountants Limited. The comparative interim figures for the six months ended 30 September 2020 are also unaudited.

2 Basis of preparation

The accounting policies applied by the Group in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2021.

3 Profit or loss per share

	Six months ended 30 September 2021 Unaudited £'000	**Six months ended 30 September 2020 Unaudited £'000**	**Year ended 31 March 2021 Audited £'000**
Basic			
Profit/ (Loss) for the period attributable to owners of the Company	(238)	1	194
Weighted average number of shares:	19,428,966	6,787	182,263
Basic earnings/(loss) per share (pence):	**(1.2)**	**11.3**	**106.5**
Diluted			
Profit/ (Loss) for the period attributable to owners of the Company	(238)	1	194
Weighted average number of shares:	30,408,166	7,457	292,484
Diluted earnings/(loss) per share (pence):	**(0.8)**	**10.3**	**66.4**

The basic and diluted earnings per share were determined by dividing the profit or loss attributable to the equity holders of the Company by the weighted average number of shares outstanding during the periods.