27 December 2024

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

UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

VSA Capital Group plc (AQSE: VSA) announces its interim results for the half year ending 30 September 2024.

Successful first half in difficult market conditions and a cautiously optimistic outlook for the future.

Highlights

- Turnover of £1.76m
- EBITDA of £0.62m
- Cash position of £0.94m
- NAV of £2.36m
- NAVPS of 10.4p
- Retained Corporate Clients – 29

Chairman's Interim Report

I am pleased to be able to introduce our interim results for the six months ended 30 September 2024 after a very difficult previous year. We have recovered considerably and moved back into our more accustomed position of profitability. We could not have done this without the hard work and determination of our staff under challenging conditions and I pay tribute to them.

Market conditions are improving. We have an increased portfolio of client companies and a good pipeline of transactions as we enter 2025. The new strategic partnership with Drakewood Capital Management Limited has considerable potential to enhance our offering to clients in the natural resources arena and alongside activities in our other sectors. Notwithstanding the challenging geopolitical and economic conditions, we look forward to the months ahead with cautious optimism.

Mark Steeves
Chairman

27 December 2024

CEO Interim report

The six months between April and September 2024 have seen incredible highs, and also sadly lows, mainly due to macro conditions. We have completed an important strategic move with Drakewood Capital Management Limited ("Drakewood") that puts us in a much stronger position for the future, especially in the natural resources and transitional energy sectors. The good news is that we are reporting a profit and a strengthened balance sheet, but equity capital markets remain incredibly tough and as I have said before although I believe we perform better than our peer group, this is not a relative game.

Deal flow in equity capital markets ground to a halt over the summer following the Labour election victory and subsequent period of waiting for the budget. Sadly, it appears that the Government has little appetite to stimulate the London equity capital markets in just the same way that the previous government did. The UK needs growth in its economy and growth is not created by tax, but by investment, and investment requires a healthy stock exchange and incentives for investors to take risks. Only when a government understands this simple economic issue will we see a reversal of the downward trend our stock market has been facing. London has slipped from being the pre-eminent global stock exchange to only 6th in the world and as this decline takes place, we can see our own economy slipping globally as the two are inextricably linked.

Although UK institutions have limited capability left to invest in our sectors due to asset allocators directing flows away from the UK mainly to the USA, we have at VSA managed to complete various deals by sourcing 'strategic investors' for our corporate clients. We continue to work on both public and private transactions and have the capability to work on substantial projects, as demonstrated by our role acting as financial adviser and broker to Invinity Energy Systems on their £57m fundraising in May.

Our capabilities are helped by the global reach for funding that we deploy for our corporate client base. By actively marketing overseas and building new relationships, we have been able to source funds and deals from areas as diverse as Texas, Detroit, Hong Kong, South Korea and Leeds (not very international, but not London!). These were deals for most notably, Invinity Energy Systems and Prospex Energy. We are working on other transactions where we have been engaged by a number of companies to source strategic investors and we expect to win more because we are strong in this area with our global reach, and this differentiates us from other investment banks and brokers who invariably are more focused on UK institutions. These projects take much longer, and the timing is less predictable, but I believe it is a great differentiator for VSA especially in the resources and transitional energy sectors. Of course, our relationships among UK and European investors remain strong and accessible on behalf of our corporate clients.

Our VSA Lite service also shows how we can successfully differentiate ourselves as our client base here has grown well and, inevitably, Lite clients like the VSA experience and are beginning to move up to become full-service clients. This has enabled us to increase our client base in a market where the number of listed companies is declining rapidly. This has been described as being like a "no frills airline model" where entry level simply gets you a seat, but if you want to take bags or speedy boarding you pay more, or in our case we provide research, corporate finance advice and fund raising.

We are also "broker exempt" under MIFID 2. This has never been fully appreciated, but what it means is that our research is freely available. When we undertook the fundraising for Equipmake, this ability came into its own. We were able to write "insiders research" for investors whereas the lead adviser was unable to as it is not allowed to do so under MIFID 2. This probably made the difference between success and failure. We intend to use this capability more to win more clients, but most listed companies are not aware of the difference this can make.

It was a pleasure to welcome Drakewood onto our shareholder register at the start of September with their investment of £405,000 for 19.9% of the Company. This strengthened our balance sheet, and more importantly has given us a great partner to work with. We are already seeing the benefits, with new client wins and good exchanges of ideas. This is just the start of the relationship and Drakewood are very supportive of our ideas for the future, and we are beginning to explore joint business opportunities. I believe this will boost our capabilities in the natural resources sector and especially mining where the number of credible players has shrunk during what has been a 15-year drought for investment. The sector has to recover as the world cannot exist without it, despite what certain protest groups may think. I am very excited by what we can achieve and if the tide does turn the partnership has the potential to be very remunerative. I welcome Mark Thompson to our Board as their representative and Mark is full of brilliant ideas which we can take and turn into deal flow.

Over the summer we were still cleaning up some legacy issues from our 2023 *annus horribilis* and I believe that we have now satisfactorily put them all to bed as frankly it was no fun. Our previous Finance Director, Marcia Manarin, also decided to move on to Oberon Investments where we wish her well. I was very pleased to do a 'swap' and we have recruited Galin Ganchev who was formerly the Finance Director at Oberon Investments. This has meant there has been no disruption and Galin is already making a great contribution in ensuring our internal systems and financial controls remain robust and fit for purpose. VSA has always had junior staff moving on to bigger firms (but maybe worry less about the P&L as a small firm like VSA has to), but large firms also are unable to offer the same culture, which I believe is greatly appreciated by our existing staff. Currently we have not recruited where a few people have left, but instead allowed our headcount to reduce. In the current market conditions a controlled cost base is vital and it is quite easy to increase headcount at the right time, especially as I suspect many of the larger banks will be looking at their own cost bases and looking to reduce headcount. Also, very large client bases may feel good, but they can also be less profitable as the 80:20 rule can be so accurate; where 80% produce very little return, but require as much attention as the 20% doing deals and creating profit. By keeping a tight structure, I hope we can even that gap.

In summary the first six months have been profitable, which is good. There has been some very hard work in tricky macro conditions, leaving us in a cautiously optimistic position for our full year to end March 2025. In the last month or so our deal pipeline has grown significantly, which although we may not close all by our year-end, will be good for business and as I have said before, our year-end is just a date and not a make or break one. We then just have to live in hope that politicians will wake up to the benefits of a healthy stock market and actually try and stimulate investment and activity and grow the UK economy.

Andrew Monk
CEO

27 December 2024

The directors of the Company take responsibility for this announcement.

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GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD TO 30 SEPTEMBER 2024

	Six months ended 30 September 2024 Unaudited £'000	Six months ended 30 September 2023 Unaudited £'000	Year ended 31 March 2024 Audited £'000
	£	£	£
Turnover	1,758	1,051	1,887
Cost of sales	(81)	(89)	(180)
Gross profit	**1,677**	**962**	**1,707**
Other operating income	20	20	54
Administrative expenses	(1,347)	(1,473)	(2,828)
Operating profit / (loss)	**350**	**(491)**	**(1,067)**
Finance income	3	1	6
(Losses) / gains on investments	(55)	(1,325)	(1,670)
Profit / (loss) on ordinary activities before taxation	**298**	**(1,815)**	**(2,731)**
Tax on profit / loss on ordinary activities	-	-	37
Profit / (loss) for the year	**298**	**(1,815)**	**(2,694)**
Other Comprehensive income	-	-	-
Total Comprehensive income	**298**	**(1,815)**	**(2,694)**

Earnings per share – profit after tax

	pence	pence	pence
Basic	0.8	(4.8)	(7.2)
Diluted	0.6	(4.8)	(7.2)

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

	As at 30 September 2024 Unaudited £'000	As at 30 September 2023 Unaudited £'000	As at 31 March 2024 Audited £'000
Non-current assets			
Property, plant and equipment - right of use	204	380	292
Property, plant and equipment - owned	34	65	52
Intangible Assets	495	827	662
Deferred tax asset	54	-	54
Total non-current assets	**787**	**1,272**	**1,060**
Current assets			
Trade and other receivables	712	323	798
Investments	302	1,106	375
Cash and cash equivalents	939	546	229
Total current assets	**1,953**	**1,975**	**1,402**
Total assets	**2,740**	**3,247**	**2,462**
Current liabilities			
Trade and other payables	198	365	512
Finance liabilities - borrowings	108	162	217
Total current liabilities	**306**	**527**	**729**
Non-current liabilities			
Finance liabilities - borrowings	-	163	-
Deferred tax liability	73	-	73
Total non-current liabilities	**73**	**163**	**73**
Total liabilities	**379**	**690**	**802**
Equity			
Share Capital	3,703	3,524	3,524
Share premium account	644	418	418
Share-based payments reserve	3	13	5
Accumulated profits/(losses)	(1,989)	(1,398)	(2,287)
Total equity	**2,361**	**2,557**	**1,660**
Total Equity and Liabilities	**2,740**	**3,247**	**2,462**

CONSOLIDATED GROUP CASHFLOW STATEMENT
FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	Six months ended 30 September 2024	Six months ended 30 September 2023	Year ended 31 March 2024
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Cash flows from operating activities			
Profit / (loss) before income tax	298	(1,815)	(2,731)
Tax paid	-	-	(46)
Depreciation and amortisation	269	270	536
Loss / (gain) on current asset investments	55	1,325	1,670
Decrease / (increase) in trade and other receivables	86	(234)	(275)
(Decrease) / increase in trade and other payables	(314)	(164)	29
Change in share-based payments reserve	(2)	-	(9)
NET CASH USED IN OPERATING ACTIVITIES	392	(618)	(826)
Cash flows from investing activities			
Purchase of plant, property and equipment	-	(3)	(3)
Proceeds from other investing activities	22	37	101
Purchase of other investments	-	(34)	(99)
NET CASH GENERATED FROM INVESTING ACTIVITIES	22	-	(1)
Cash flows from financing activities			
Share capital issue	405	-	-
Purchase of shares into treasury	-	-	-
New finance leases	-	-	-
Finance lease repayments	(109)	(109)	(217)
NET CASH GENERATED FROM FINANCING ACTIVITIES	296	(109)	(217)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	710	(727)	(1,044)
Cash and cash equivalents at beginning of period	229	1,273	1,273
CASH AND CASH EQUIVALENTS AT END OF PERIOD	939	546	229

NOTES TO THE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD TO 30 SEPTEMBER 2024

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 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 2024 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 2024 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 2023 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 2024.

3 Profit or loss per share

	Six months ended 30 September 2024 Unaudited £'000	Six months ended 30 September 2023 Unaudited £'000	Year ended 31 March 2024 Audited £'000
Basic			
Profit / (Loss) for the period attributable to owners of the Company	298	(1,815)	(2,695)
Weighted average number of shares:	38,319,200	37,655,266	37,655,266
Basic earnings / (loss) per share (pence):	**0.8**	**(4.8)**	**(7.2)**
Diluted			
Profit / (Loss) for the period attributable to owners of the Company	298	(1,815)	(2,695)
Weighted average number of shares:	49,575,238	37,655,266	37,655,266
Diluted earnings / (loss) per share (pence):	**0.6**	**(4.8)**	**(7.2)**

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.

4 Called up share capital

On 29 August 2024 the Company entered into a strategic partnership with Drakewood Capital Management Limited ("Drakewood"). As part of the strategic partnership the Company issued 4,500,000 new ordinary shares in the Company at a price of 9p per share to Drakewood raising gross and net proceeds of £405,000. As at 30 September 2024 the Company has allotted, issued and fully paid 23,928,966 Ordinary Shares and 18,226,300 Deferred Shares. The Deferred Shares were created as part of a capital restructuring in preparation for the IPO, which took place on 29 July 2021. The Deferred Shares have been compulsorily acquired by the Company Secretary and held on behalf the Company.