

B . P . M A R S H
& P A R T N E R S P L C



Half-Year Report

For the period ending 31 July 2023





Group Profile

B.P. Marsh & Partners PLC is a specialist investor in early stage and growing financial services intermediary businesses. Whilst it is open to proposals to invest in all facets of the non-risk bearing financial services market, the Group considers its focus to be on insurance intermediaries, an area in which it has a great deal of experience. The Group will consider opportunities globally, and currently has a significant presence in North America and Australia.

The Group's aim is to be the capital provider of choice for the early-stage and growing financial services intermediary sector and to deliver to its investors long-term capital growth alongside a sustainable distribution policy.

The Group considers this to be achievable through partnering with strong management teams to back credible business opportunities to which the Group can provide strategic and financial assistance. The Group therefore considers the people element of its business as vital to its success.

The Group invests amounts of up to £5m in the first round financings and takes a flexible approach to investment structures, reviewing companies ranging from start-ups to those that have developed to the next stage of growth. The Group initially only takes minority equity positions and does not seek to impose exit pressures, preferring to be able to take a long-term view where required and work alongside management to a mutually beneficial exit route that maximises value.

B.P. Marsh has invested in over 50 businesses since it was founded in 1990 and its management team has a wealth of experience and a well-developed network within the Financial Services sector.

We are farmers, not hunters

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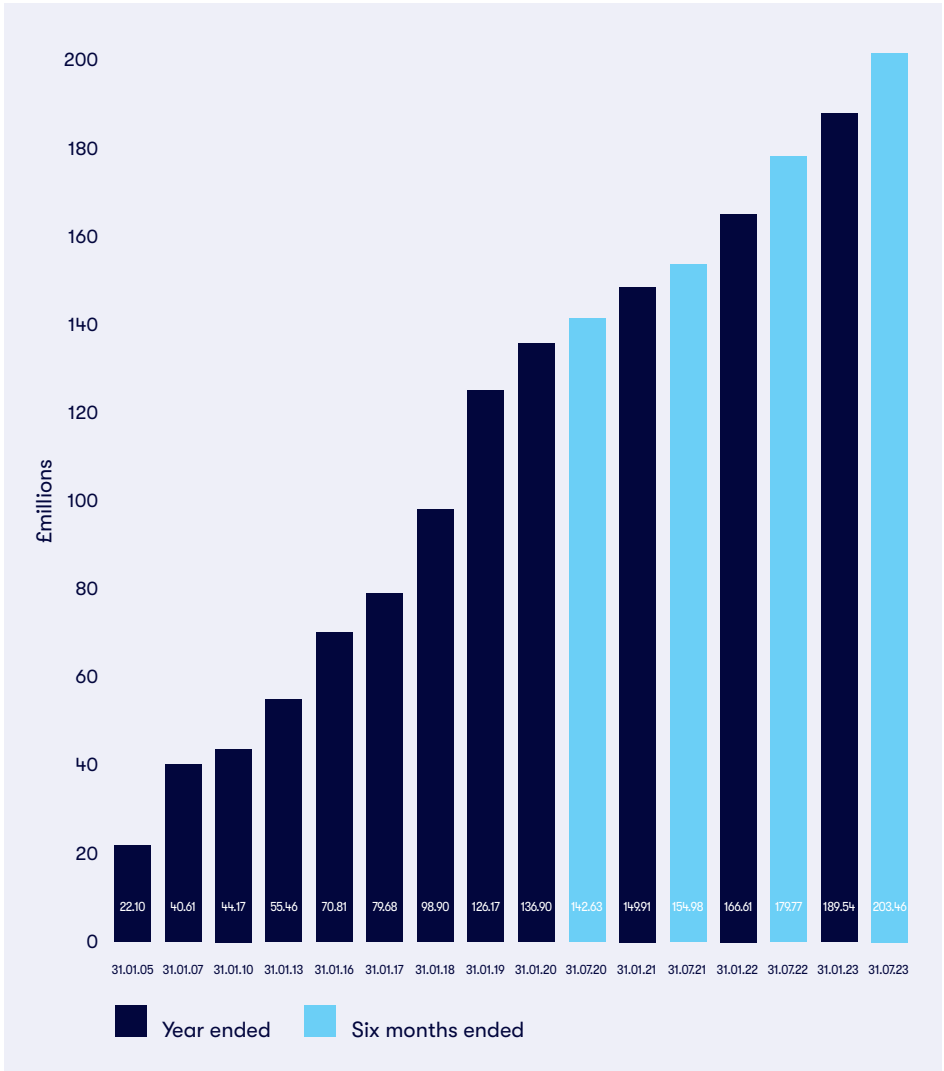
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“I am pleased that we have delivered a strong set of results, both in terms of increasing the value of the portfolio and investment realisations. This gives the Company the ability to reinvest in a portfolio that is growing in value, and source new investment opportunities, alongside returning value to shareholders.”

Brian Marsh OBE, Chairman

Group Valuations



NB: The valuation at 31 January 2007 includes £10.1m net proceeds raised on AIM. The valuations from and including 31 January 2019 include £16.6m net proceeds raised in the July 2018 Share Placing and Open Offer.

Statement by the Chairman and Managing Director

Half-Year Results

B.P. Marsh & Partners Plc (AIM: BPM), the specialist investor in early stage financial services businesses, announces its unaudited Group Half-Year Results for the six months to 31 July 2023 (the "Period").

The financial highlights for the Period are:

- Net Asset Value at 31 July 2023 £203.5m (31 January 2023: £189.5m; 31 July 2022 £179.8m)
- Net Asset Value per share 567.3p (31 January 2023: 526.2p; 31 July 2022: 499.0p)
- Consolidated profit before tax of £15.6m for the Period (six months to 31 July 2022: £17.0m; year ending 31 January 2023: £27.6m)
- Total Shareholder return of 7.9% for the Period including the aggregate dividends paid in February and July 2023 (13.7% for the 12 months since 31 July 2022, inclusive of the dividends paid in February and July 2023)
- Cash of £4.3m as at 31 July 2023
- Current cash of £51.0m, following receipt of the proceeds from the sale of Kentro

Chairman's Statement

During the Period the Group's Net Asset Value ("NAV") has grown by £14.0m from £189.5m (31 January 2023) to £203.5m which, together with the dividends paid in February 2023 and July 2023, represents an increase of 7.9%. NAV per share as at 31 July 2023 is 556.3p on a fully diluted basis, an increase of 39.4p from 31 January 2023.

As previously announced, the Group has completed two new investments during the Period. These were into the London-based Managing General Agency, Verve Risk Services Limited, and the newly incorporated holding company Pantheon Specialty Limited (since changed to Pantheon Specialty Group Limited) that concurrently acquired the Lloyd's Broker Denison and Partners Limited. The Group is pleased to have partnered with such strong management teams and is looking forward to watching these companies flourish.

The Group also announced the conditional sale of its shareholding in Kentro Capital Limited ("Kentro") in May 2023 for £51.5m net of all costs. As subsequently announced on 9 October 2023 all conditions were met and the Group received £51.5m in proceeds.

We believe the successful sale of Kentro underpins B.P. Marsh's approach to its valuation methodologies and demonstrates that our track record is both reliable and reasonable. The sale of Kentro for £51.5m represents an IRR of 24% inclusive of income and fees and a money multiple on the equity investment of 3.41x.

Statement by the Chairman and Managing Director

As the remainder of 2023 continues, the Group is in a strong position from a cash and new business perspective to capitalise on opportunities both within our current portfolio and outside of it.

As supportive investors, we intend to ensure that the capital requirement needs of our portfolio can be met to aid further growth whilst also ensuring we are able to invest in attractive new business opportunities which fit the Group's criteria.

With the receipt of the proceeds of sale from Kentro, the Board has declared a special dividend of 2.78p per ordinary share to be paid on 24 November 2023 to all shareholders on the Register as at 27 October 2023. The Group also reminds its shareholders that the intention is to pay an aggregate dividend of £2.0m in 2024, via an interim dividend of £1.0m around February 2024 and a final dividend of £1.0m in July 2024 subject to Shareholder Approval, and to replicate this for the subsequent two financial years.

The Board of B.P. Marsh intends to continue to strike a balance between utilising sale proceeds for investment for long-term capital growth, whilst providing shareholders with a meaningful ongoing return. The Board continues to discuss its aim to return meaningful levels of capital to shareholders and will provide more information in due course.

The Group remains acutely aware of the ongoing difficulties faced by the wider economic environment. Given the fact that the Group remains debt free and has a two-pronged investment approach of both equity and loan funding that has been benchmarked against the base rate, we have managed to avoid being adversely impacted by the increasing interest rates. The Group has continuously monitored the

impact of the rising cost of living on its employees and intervened when it felt appropriate.

On 6 September 2023, the Board, on the recommendation of the Remuneration Committee, adopted the B.P. Marsh & Partners plc 2023 Share Option Plan ("Option Plan"). It is the belief of the Chairman and Managing Director that the current Team at B.P. Marsh is the best suited to take it into the next stage of growth and proper incentivisation is key to retaining the talent within the employee base, and further aligning employees' interests with those of our shareholders. The Option Plan is a discretionary employee share plan under which selected employees and executive directors may be granted options, with a nil-cost, nominal value or market value exercise price, to acquire shares in the Company if certain pre-determined conditions are satisfied. It is envisaged that no options will be granted under the Option Plan which would cause the number of shares to be issued under the Option Plan to exceed 4.5% of the issued share capital of the Company. Further details of the Option grants awarded under the Option Plan will be announced in due course.

The Group is pleased with its performance to 31 July 2023, demonstrating once again the success of its track record and has positioned itself in a place to be able to utilise the proceeds of sale from Kentro effectively.

Brian Marsh OBE, Chairman
Alice Foulk, Managing Director
17 October 2023

Chief Investment Officer's Portfolio Update, New Business and Outlook

As announced on 23 May 2023, the Group agreed to sell its 18.7% shareholding in Kentro to Brown & Brown, Inc for £51.5m. The sale completed on 9 October 2023 at which point the Group received £51.5m in cash.

The investment and subsequent sale of Kentro illustrates the Group's capability to source niche investment opportunities, back successful management teams and successfully realise value for our shareholders. This disposal delivered an Internal Rate of Return of 23.7% (inclusive of all income and fees) and a money multiple on the equity investment of 3.41x.

In the six month period to 31 July 2023 the underlying portfolio continued to perform well.

Over the Period, the valuation of the Group's equity portfolio has increased by 8.6% adjusting for additions and disposals, with NAV increasing by 7.3%.

Over the past 12 months, the equity portfolio has increased by 16.1% adjusting for additions and disposals, with NAV increasing by 13.2%.

The Group's cash balance of £51.0m will allow the Group to continue to:

- identify businesses with strong management teams and good growth potential;
- help fund, support, and develop these companies so they can deliver on growth opportunities; and

- produce returns from investments made for our shareholders, via a blend of ongoing equity growth of the portfolio and regular returns of capital to shareholders via dividends.

The Group remains focussed on sourcing new business and has an active pipeline of new business opportunities which are currently being considered.

In the period, the Group completed two new investments, as follows:

- **Verve Risk Services Limited ("Verve")**
a London-based Managing General Agency, which specialises in Professional and Management Liability business for the insurance industry in the USA, Canada, Bermuda, Cayman Islands and Barbados.
- **Pantheon Specialty Limited ("Pantheon")**
a London-based start-up broker, led by Rob Dowman, a recognised leading London Market Casualty broker, specialising in complex liability placements worldwide.

B.P. Marsh is well-known in the financial services (sub)sector in which it specialises, with a focus on Insurance Brokers and Managing General Agencies.

The Group continues to focus on investing in niche SME sectors backed by experienced and capable management teams, which will create long term growth and consequential value.

Chief Investment Officer's Portfolio Update, New Business and Outlook

The Group continues to monitor trends in the insurance market, specifically when it comes to premium rates and M&A.

Across the global property and casualty market rates continue to rise, although the pace is slowing. In the second quarter of 2023, across the whole insurance industry, rates increased by 3%. Whilst this is the 23rd consecutive quarter of rate increases, the increase is down from the peak of 22% in the fourth quarter of 2020.

Rate increases were relatively consistent across all regions in which our portfolio operates; rate increases were highest in property classes (+10% in Q2 2023), more modest in casualty classes (+3% in Q2 2023) and declined across financial and professional lines (-8% in Q2 2023).

Property rates were mainly driven by costs of reinsurance, strong capacity demand, limited new entrants to the market and ongoing losses.

Overall, the Group does not anticipate the market returning to the pricing of the last soft market in the short to medium term.

Turning to the insurance M&A market, whilst the number of transactions are down from a recent peak in 2021, they are static with 2022 and there remains a strong demand for specialty MGAs and brokers. Given the niche businesses in which the Group invests, the business is well positioned to take advantage of the current M&A market, both on the buy and sale side.

Portfolio Update

New Investments

Within the six month period to 31 July 2023, the Group completed on two acquisitions:

Pantheon Specialty Group Limited ("Pantheon") **+0.4 pence NAV per share change in the Period**

In June 2023, B.P. Marsh subscribed for a 25% stake in Pantheon, a new holding company established in partnership with Robert Dowman.

Robert Dowman has over 30 years of experience in the insurance industry, starting his career in 1989 at the Lloyd's Broker Gallagher Plumer where he spent six years before joining Jardine Insurance Brokers in 1995. Robert then joined Besso's Casualty Division in 2000, becoming Managing Director of Besso Global Casualty in 2007 and Joint CEO of Besso Group and Besso Limited in 2015.

With the support of B.P. Marsh, Robert Dowman wants to build a market leading independent specialist broker across multiple markets.

Since investment, Robert Dowman has hired a number of key individuals. This team is recognised as leading London Market Casualty brokers, specialising in complex liability placements worldwide.

Chief Investment Officer's Portfolio Update, New Business and Outlook

Pantheon provided B.P. Marsh with an excellent opportunity to invest in a business with a well-established and highly experienced leadership team and strong growth potential over the coming years.

In September 2023, post period end, the Company provided a loan facility of £3.0m to Pantheon for working capital purposes.

Date of initial investment: June 2023

31 July 2023 valuation: £0.1m

Cost of Equity: £25

Equity stake: 25%

Verve Risk Services Limited ("Verve")

0.0 pence NAV per share change in the Period

In April 2023, the Group announced that it had acquired a 35% Cumulative Preferred Ordinary shareholding in Verve, a London-based Managing General Agency.

Verve specialises in Professional and Management Liability business for the insurance industry in the USA, Canada, Bermuda, Cayman Islands and Barbados.

Since investment, Verve has performed well, outperforming its budget for the months following the involvement of B.P. Marsh.

The Group looks forward to continuing its support for Verve and its Management Team over the coming years, supporting the business to achieve its long term ambitions and goals.

Date of initial investment: April 2023

31 July 2023 valuation: £0.44m

Cost of Equity: £0.4m

Equity stake: 35%

Follow-on Investments and Funding

CBC UK Limited ("CBC") / Paladin Holdings Limited ("Paladin")

+30.3 pence NAV per share change in the Period

Paladin, the holding company for CBC, the London based Lloyd's insurance broker, continues to trade significantly ahead of budget in 2023.

At 31 July 2023 Paladin had achieved £7.5m of consolidated adjusted EBITDA for seven months' trading against a full year budget of £5.5m, up 183% over the prior year period (£2.7m).

The growth year-on-year has been achieved through a combination of new hires, new product lines and organic growth.

From the time of our original investment, through to 31 July 2023, the Group's valuation in CBC has risen significantly, with the Group's shareholding now valued at £30.5m.

Chief Investment Officer's Portfolio Update, New Business and Outlook

This represents an equity value uplift of £11.3m or 59% over the prior valuation at 31 January 2023. Over the period from 31 July 2022, B.P. Marsh's equity value in CBC has increased by £20.6m or 209%.

The Group has also provided Paladin / CBC with further funding, as follows:

- In July 2023, the Group lent Paladin £1.5m which, together with its own funds, enabled CBC to repay its £2.7m loan from Coutts & Co; and
- In August (post period end), the Group lent Paladin a further £0.8m. This enabled Paladin to exercise a Call Option with the Group over 5.9% of shares in Paladin which the Group owned. Once acquired, these shares were cancelled.

Date of initial investment: February 2017

31 July 2023 valuation: £30.5m

Cost of Equity: £0.8m

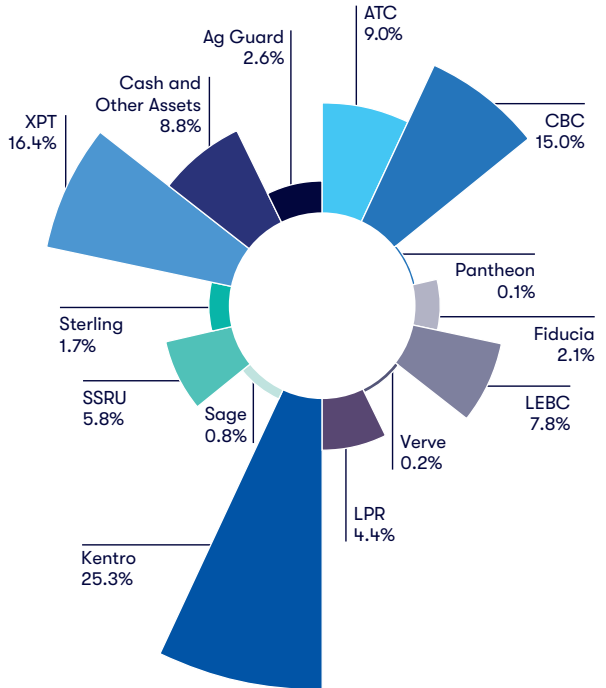
Equity stake: 47.1%

Chief Investment Officer’s Portfolio Update and Outlook

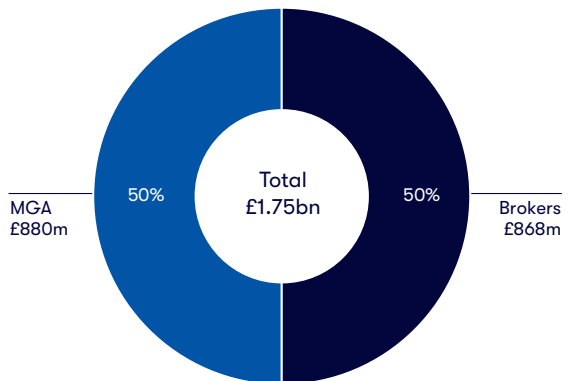
NAV breakdown by portfolio company

The composition of B.P. Marsh’s underlying portfolio company exposure can be found here:

The Group’s current investments are in the Insurance Intermediary sector, with the exception of the independent financial adviser LEBC.



These insurance investments are budgeting to produce in the aggregate £1.75bn of insurance premium during 2023 (2022: £1.32bn), and a breakdown between brokers and MGAs can be found here:



Chief Investment Officer's Portfolio Update and Outlook

Insurance Brokers

Investments:

Brokers	Date of Investment	Jurisdiction	Equity % 31 Jul 2023	Cost of Investment	Valuation 31 Jul 2023	% of NAV 31 Jul 2023	Internal rate of return to 31 Jul 2023	Current Multiple on Invested Capital
CBC	Feb-17	UK	47.06%	£803,500	£30,530,000	15.0%	42.72%	38.0x
Lilley Plummer Risks	Oct-19	UK	30.00%	£308,242	£8,861,000	4.4%	87.52%	28.75x
Pantheon Specialty	Jun-23	UK	25.00%	£25	£132,000	0.1%	747.70%	(NA – over 1000x)
Asia Reinsurance Brokers	Apr-16	Singapore	25.00%	£1,551,084	£0	0.0%	-21.74%	–
Total	–	–	–	£2,662,851	£39,523,000	19.5%	–	–

The Group's Broking investments are budgeting to place over £868.0m of GWP (*2022: £547.8m), producing over £76.0m (2022: £57.1m) of commission income in 2023, accessing specialty markets around the world.

Underwriting Agencies / Managing General Agents ("MGAs")

Investments:

MGAs	Date of Investment	Jurisdiction	Equity % 31 Jul 2023	Cost of Investment	Valuation 31 Jul 2023	% of NAV 31 Jul 2023	Internal rate of return to 31 Jul 2023	Current Multiple on Invested Capital
Kentro	Aug-14	UK	18.70%	£15,126,554	£51,522,000	25.3%	24.28%	3.41x
XPT	Jun-17	USA	27.30%	£10,138,626	£33,444,000	16.4%	30.62%	3.30x
ATC	Jul-18	Australia	25.39%	£3,345,229	£18,261,000	9.0%	394.5%	5.45x
SSRU	Jan-17	Canada	30.00%	£19	£11,870,000	5.8%	101.66%	(NA – over 1000x)
Ag Guard	Jul-19	Australia	41.00%	£1,465,071	£5,390,000	2.6%	44.92%	3.68x
Fiducia	Nov-16	UK	35.18%	£227,909	£4,301,000	2.1%	23.84%	18.87x
Sterling	Jun-13	Australia	19.70%	£1,945,411	£3,527,000	1.7%	10.03%	1.81x
Sage	Jun-20	USA	30.00%	£202,758	£1,599,000	0.8%	98.71%	7.89x
Verve	Apr-23	UK	35.00%	£430,791	£431,000	0.2%	0.08%	1.0x
Total	–	–	–	£32,882,368	£130,345,000	63.9%	–	–

The Group's MGAs are budgeting to place c.£880.0m of GWP (*2022: £755.6m), producing over £108.0m (2022: £94.1m) of commission income in 2022, across over 30 product areas, on behalf of more than 50 insurers.

* The GWP figures shown are inclusive of Kentro's GWP numbers.

Chief Investment Officer's Portfolio Update and Outlook

IFA Investment

Investment:

IFA	Date of Investment	Jurisdiction	Equity % 31 Jul 2023	Cost of Investment	Valuation 31 Jul 2023	% of NAV 31 Jul 2023	Internal rate of return to 31 Jul 2023	Current Multiple on Invested Capital
LEBC Holdings Limited	April-07	UK	59.34%	£12,373,657	£15,947,000	7.8%	8.33%	1.29x

LEBC Holdings Limited ("LEBC") – London, United Kingdom

0.0 pence NAV per share change in the Period

LEBC has two wholly owned subsidiaries, Aspira Corporate Solutions Limited ("Aspira") and LEBC Group Limited ("LEBC Group").

Post period end, in August 2023, Aspira acquired the trading assets and personnel of its sister company, LEBC Group.

This combination brings together the expertise of the two businesses under one brand and will result in an enhanced service for both its individual and corporate clients.

The combined entity will continue to provide pensions and investment advice to more than 1,600 corporate entities and over 15,000 individuals with circa £4bn of assets under advice.

This consolidation follows a Management-led restructuring process which has had the full support of B.P. Marsh, being in the best interest of all LEBC stakeholders.

The transfer of assets has received consent from the Financial Conduct Authority, following extensive consultation.

Date of initial investment: April 2007

31 July 2023 valuation: £15.9m

Cost of Equity: £12.4m

Equity stake: 59.3%

Chief Investment Officer's Portfolio Update and Outlook

Portfolio Company Highlights:

Lilley Plummer Risks Limited ("Lilley Plummer") +5.0 pence NAV per share change in the Period

The performance of Lilley Plummer continues to be impressive, which is due to the growth of its underlying marine portfolio and diversification into different classes of business, including North American Property.

The strong performance of Lilley Plummer has allowed the business to return £1.0m to the Group as follows:

- The redemption of B.P. Marsh's £0.7m of Redeemable Shares; and
- The repayment of B.P. Marsh's £0.3m outstanding loan facility with Lilley Plummer.

This redemption and repayment demonstrates Lilley Plummer's ability to continually grow their business from a revenue and EBITDA standpoint, whilst accumulating strong cash balances. EBITDA has grown from c.£412k in 2020, to c.£1.95m in 2022, with this growth continuing into 2023.

Lilley Plummer's core Marine book has continued to perform well. The marine insurance market on the whole has enjoyed a positive 2023 with premium income increasing and insurer loss ratios tracking much lower than previous years. The situation with Ukraine and Russia continues to create uncertainty with war risk premiums remaining high.

Lilley Plummer's new North American Property team have also performed well since joining the business, significantly outperforming both their revenue and EBITDA budget.

Lilley Plummer remains actively looking at new opportunities, within and outside of its core marine offering and the Group is confident regarding its performance over the course of the current financial year and beyond.

Date of initial investment: October 2019

31 July 2023 valuation: £8.9m

Cost of Equity: £308,242

Equity stake: 30.0%

Chief Investment Officer's Portfolio Update and Outlook

Stewart Specialty Risk Underwriting Ltd ("SSRU")

+2.3 pence NAV per share change in the Period

Performance of the Group's Canadian investment, SSRU, remains strong:

- In SSRU's year to 31 December 2022, Gross Written Premium exceeded CA\$ 75m, with the budget of c. CA\$ 83m for 2023;
- Given historic growth, the Group expect SSRU to surpass Gross Written Premium of CA\$ 100m in 2024; and
- EBITDA has more than doubled since 2020, from c. CA\$ 3.5m to CA\$ 7.8m, with further growth expected into 2024.

SSRU is focusing on organic growth of existing, highly profitable business lines, via the increased line sizes afforded by new capacity relationships. SSRU also continue to pursue M&A opportunities, new business lines and alternative sources of capacity.

Date of initial investment: January 2017
31 July 2023 valuation: £11.9m
Cost of Equity: £19
Equity stake: 30.0%

XPT Group LLC ("XPT Group")

-1.8 pence NAV per share change in the Period

XPT Group's performance since its inception continues to be impressive, with the business expecting to produce Gross Written Premium of c. US\$ 700m in its current financial year to 31 December 2023 (2022: US\$ 500m).

XPT's two most recent acquisitions, Cal Inspection Bureau, a premier underwriting survey and audit business, and Craig and Leicht, a Texas-based wholesale agency, have both performed well since joining XPT in the first quarter of 2023.

XPT Group continues to grow via its acquisition strategy, producer hires and underlying organic growth.

The Group remains positive regarding the ongoing performance of XPT and its next stage of growth over the years to come.

Date of investment: June 2017
31 July 2023 valuation: £33.4m
Cost of Equity: £10.1m
Equity stake: 27.3%

Dan Topping
Chief Investment Officer
17 October 2023

Group Finance Director Update

The Group's equity investment portfolio continued to increase in value, rising by 8.6% to £185.8m (31 Jan 2023 £171.5m) adjusting for £0.8m of net investment realisations. Overall, the NAV of the Group increased by £14.0m (7.3%) to £203.5m, compared with an increase of £13.2m (7.9%) in the same period in 2022. Including the dividends paid in February 2023 and July 2023 of £1.0m in aggregate, this represented an overall return of 7.9% for the Period.

The lower increase compared with the same period in 2022 was due to foreign exchange movements.

The Group's results for the Period were impacted by the strengthening of Pound Sterling in its overseas investments with an overall £3.8m decrease in NAV attributed to foreign exchange movement, compared with a £5.8m gain in the same period in 2022. Adjusting for this, the increase for the Period would have been £17.8m (9.4%) compared with an increase of £7.4m (4.4%) in the prior period.

Over the year to 31 July 2023 the NAV has increased by £23.7m or 13.2%. Including the £1.0m aggregate dividend paid in February 2023 and July 2023 this represents an overall return of 13.7%.

The NAV of £203.5m at 31 July 2023 represents a total increase in NAV of £174.3m since the Group was originally formed in 1990 having adjusted for the original capital investment of £2.5m, the £10.1m net proceeds raised on AIM in 2006 and the £16.6m net proceeds raised through the Share Placing and Open Offer in July 2018. The Directors note that the Group has delivered an annual compound growth rate of 8.9% in Group NAV after running costs, realisations, losses, distributions and corporation tax since flotation and 11.8% since 1990.

Income from the portfolio for the Period increased significantly from £2.5m in H1 2022 to £4.0m. Dividend income was £0.6m higher due to strong investment portfolio performance, whilst loan interest increased by £0.5m as a result of new loans granted and higher interest rates charged due to UK base rate increases. Fee income also increased by £0.3m due to one off transaction and loan arrangement fees charged.

A significant proportion of the increase in operating expenses to £2.8m in the Period from £2.1m in H1 2022 related to increased staff costs of £0.5m in line with the Company's financial performance, together with increased legal and professional fees of £0.2m in relation to the various new investment and follow-on transactions (although these costs were covered by one-off fees charged to the relevant investee company).

Group Finance Director Update

The Group's strategy is to cover expenses from the portfolio yield. On an underlying basis, excluding investment activity (unrealised gains on equity revaluation), this was achieved with a pre-tax profit of £0.8m for the Period (H1 2022: £0.7m).

Current Assets -

Investment assets held for sale

The balance of £52.3m at 31 July 2023 represents £51.5m for the investment in Kentro which completed on 9 October 2023, and £0.8m for Paladin in relation to shares held under an Option agreement which were exercised on 14 August 2023. At 31 January 2023 these amounts were included within Equity Portfolio investments as non-current assets.

Loan Portfolio

In addition to the provision of equity to the investment portfolio, the Group often provides loan financing either as part of the original investment structure, or for follow-on funding to enable further growth through acquisitions or working capital for recruitment and product development.

The loan portfolio increased by £6.3m during the Period to £17.8m at 31 July 2023 (31 July 2022: £9.2m, 31 January 2023: £11.5m). The Group provided £8.2m in new loans - £4.9m to XPT, £2.0m to Paladin, £0.7m to Denison and £0.6m to Verve. £1.6m was received in loan repayments - £0.8m from XPT, £0.5m from Fiducia and £0.3m from Lilley Plummer. In addition there was a £0.3m reduction due to foreign exchange movements.

Since 31 July 2023 the Group has provided £4.6m in further loans, including £3.0m to Pantheon and £0.8m to Paladin, and the loan portfolio balance is currently £22.4m.

Liquidity

As at the Period-end, the Group had total available cash and treasury funds of £4.3m (31 Jan 2023: £12.1m). Between 31 January 2023 and 31 July 2023 the Group provided loans to the investment portfolio of £8.2m. In addition, the Group paid dividends totalling £1.0m and bought back £0.7m in shares.

During the Period the Group also received £0.7m of proceeds from the redemption of preferred shares held in Lilley Plummer and £1.6m in loan repayments.

Group Finance Director Update

Since 31 July 2023 the Group has provided a further £4.6m in loans as follow-on funding into the existing portfolio and received £0.8m in net realisations relating to shares in Paladin held by the Group under a call option arrangement, which were bought back by Paladin.

On 9 October 2023 the Group completed the sale of its 18.7% shareholding in Kentro for £51.5m. Post a loan granted on 9 October 2023 the Group's current available cash is £51.0m.

The Group is debt free.

Diluted NAV per share

The NAV per share at 31 July 2023 is 567.3p (31 July 2022: 499.0p, 31 January 2023: 526.2p).

As part of a long-term share incentive plan for certain directors and employees of the Group, in June 2018 1,461,302 shares were issued to an Employee Benefit Trust at 281 pence per share.

On 12 June 2021 (the "vesting date") the performance criteria were met for 1,206,888 of 1,443,147 shares held under joint share ownership arrangements within the Employee Benefit Trust, after which the members of the scheme became joint beneficial owners of the shares and became entitled to any gain on sale of the shares in excess of 312.6 pence per share.

Whilst these shares remain within the Employee Benefit Trust, they do not have voting or dividend rights. However, if the shares are sold in the future in excess of 281 pence per share, the Group would be entitled to receive £4,055,243 and these shares would become entitled to voting and dividend rights and therefore would become dilutive. Overall, this would therefore dilute the NAV per share as at 31 July 2023 to 556.3p (31 July 2022: 490.8p, 31 January 2023: 516.9p).

Jon Newman
Group Finance Director
17 October 2023

Consolidated Statement of Comprehensive Income

For the period ended 31 July 2023

	Unaudited 6 months to 31 July 2023		Unaudited 6 months to 31 July 2022		Audited Year to 31 January 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investment						
Realised (losses) / gains on disposal of equity investments (net of costs)	(41)		155		155	
Release of provision made against equity investments and loans	12		7		30	
Unrealised gains on equity investment revaluation	14,755		16,212		27,275	
		14,726		16,374		27,460
Income						
Dividends	2,280		1,636		3,119	
Income from loans and receivables	815		326		749	
Fees receivable	860		580		1,051	
		3,955		2,542		4,919
Operating income		18,681		18,916		32,379
Operating expenses		(2,844)		(2,066)		(4,889)
Operating profit		15,837		16,850		27,490
Financial income	95		77		130	
Financial expenses	(25)		(42)		(88)	
Exchange movements	(349)		122		58	
		(279)		157		100
Profit on ordinary activities before taxation		15,558		17,007		27,590
Income taxes		(6)		(2,910)		(3,747)
Profit on ordinary activities after taxation attributable to equity holders		15,552		14,097		23,843
Total comprehensive income for the period		15,552		14,097		23,843
Earnings per share – basic (pence)		43.3p		39.1p		66.2p
Earnings per share – diluted (pence)		41.6p		37.6p		63.6p

The result for the period is wholly attributable to continuing activities.

Consolidated Statement of Financial Position

As at 31 July 2023

	Unaudited 31 July 2023		Unaudited 31 July 2022		Audited 31 January 2023	
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Property, plant and equipment	72		90		79	
Right-of-use asset	590		754		671	
Investments – equity portfolio	133,489		160,398		171,461	
Loans and receivables	13,741		4,149		8,120	
		147,892		165,391		180,331
Current assets						
Investments – assets held for sale	52,326		–		–	
Investments – treasury portfolio	80		2,563		591	
Trade and other receivables	6,415		6,719		5,283	
Cash and cash equivalents	4,257		11,558		11,564	
		63,078		20,840		17,438
Liabilities						
Non-current liabilities						
Lease liabilities	(505)		(684)		(596)	
Deferred tax liabilities	(5,604)		(4,791)		(5,631)	
		(6,109)		(5,475)		(6,227)
Current liabilities						
Trade and other payables	(1,226)		(820)		(1,830)	
Lease liabilities	(180)		(171)		(175)	
		(1,406)		(991)		(2,005)
Net assets		203,455		179,765		189,537
Capital and reserves – equity						
Called up share capital		3,747		3,747		3,747
Share premium account		29,348		29,346		29,350
Fair value reserve		121,291		96,286		106,509
Reverse acquisition reserve		393		393		393
Capital redemption reserve		7		7		7
Capital contribution reserve		72		72		72
Retained earnings		48,597		49,914		49,459
Shareholders' funds – equity		203,455		179,765		189,537
Net Asset Value per share – undiluted (pence)		567.3p		499.0p		526.2p
Net Asset Value per share – diluted (pence)		556.3p		490.8p		516.9p

The Half Year Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 16th October 2023 and signed on its behalf by:

B.P. Marsh & J.S. Newman

Directors & Company Secretary

Brian Marsh OBE

(Executive Chairman), aged 82 (R) (I) (V) (N)

Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 60 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 40 years' experience in building, buying and selling financial services businesses particularly in the insurance sector. Brian's considerable experience being Chairman of numerous companies in Financial Services means he is well suited as the Executive Chairman of B.P. Marsh. Brian is a member of the Remuneration, Investment, Valuation, and Nomination Committees. Brian is a significant shareholder in B.P. Marsh with a direct beneficial interest in 38.1% of the Company (in addition to 2.5% held by the Marsh Christian Trust, of which Brian is a trustee and Settlor).

Alice Foulk BA (Hons)

(Managing Director), aged 36 (I) (V) (N) (D)

Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In February 2015 Alice was appointed as a director of B.P. Marsh and in January 2016 was appointed Managing Director where she is responsible for the overall performance of the Company and monitoring the Company's overall progress towards achieving its objectives and goals, as set by the Board. Alice is a member of the Investment, Valuation, Nomination and Disclosure Committees. Alice has a direct beneficial interest in 23,428 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 167,465 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 23,944 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust.

Daniel Topping MCSI, FCG

(Chief Investment Officer), aged 39

(I) (V) (N) (D) (E)

Daniel was appointed as a director of B.P. Marsh in March 2011 having joined the Group in February 2007, following two years at an independent London accountancy practice. Daniel graduated from the University of Durham in 2005 and is a member of the Securities and Investment Institute and the Chartered Governance Institute UK & Ireland. In January 2016 Daniel was appointed as Chief Investment Officer of the Group and is a member of the Investment, Valuation, Nomination and Disclosure Committees and Chairman of the Environmental, Social and Governance ("ESG") Committee. Daniel is the Senior Executive with overall responsibility for the portfolio and alongside the Board and Investment Directors is instrumental in identifying ways to find, structure, develop, support and monitor the portfolio. Daniel currently has multiple nominee appointments across the investment portfolio. Daniel has a direct beneficial interest in 121,640 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 167,465 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 24,531 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Daniel has an indirect beneficial interest in 11,434 ordinary shares held by his wife, Claire Cronin.

Jonathan Newman ACMA, CGMA, MCSI

(Group Finance Director), aged 48 (I) (V) (D)

Jonathan is a Chartered Management Accountant with over 25 years' experience in the financial services industry. He joined the Group in November 1999, having started his career at Euler Trade Indemnity, and was appointed a

Directors & Company Secretary

director of B.P. Marsh in September 2001 and Group Finance Director in December 2003. Jonathan is responsible for the Group's finance function, provides strategic financial advice to the Group's portfolio, evaluates new investment opportunities and is a member of the Investment, Valuation and Disclosure Committees. Jonathan has four nominee directorships across two investee companies. Jonathan has a direct beneficial interest in 19,645 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 167,465 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 32,651 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust.

Pankaj Lakhani FCCA

(Non-executive), aged 69 (R) (A) (V) (N)

Pankaj is a certified accountant and joined B.P. Marsh in May 2015 and has over 40 years' experience within the global insurance sector, having worked at Marsh McLennan Group, Nelson Hurst & Marsh Group, Admiral Underwriting and Victor O. Schinnerer. Pankaj is Chairman of both the Remuneration and Audit Committees and is also a member of the Valuation and Nomination Committees. Pankaj owns 36,912 ordinary shares in B.P. Marsh.

Nicholas Carter

(Non-executive), aged 80 (R) (A) (E)

Nicholas was appointed to the Board of B.P. Marsh in May 2019 and has over 50 years' experience in the Lloyd's Insurance Market, having held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers and Nelson Hurst Plc. Upon joining the Group Nicholas was appointed a member of the Remuneration and Audit Committees and is also a founding

member of the ESG Committee. Nicholas owns 27,526 ordinary shares in B.P. Marsh and also has an indirect beneficial interest in 5,314 ordinary shares held by his wife, Fiona Carter.

Sinead O'Haire, LLB (Hons), FCG (Chief Legal Officer & Group Company Secretary), aged 38 (N) (D) (E)

Sinead joined B.P. Marsh in 2009 and was appointed Group Company Secretary in June 2011. Sinead attends all Board and Committee meetings and works closely with the Chairman's Office and Board in all matters of governance and to oversee the effective functioning and leadership of the Company, as well as ensuring compliance with the stock market regulations. Sinead is responsible for negotiating and finalising the legal aspects of new investments, any follow-on funding and eventually the exit process. Sinead is a founder member of the ESG Committee and also sits on the Nomination Committee. Sinead has a direct beneficial interest in 24,695 ordinary shares in B.P. Marsh, together with a beneficial interest (as joint owner) in 167,465 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 32,651 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust.

KEY

- (R) Member of the Remuneration Committee during the Period
- (A) Member of the Audit Committee during the Period
- (I) Member of the Investment Committee during the Period
- (V) Member of the Valuation Committee during the Period
- (N) Member of the Nomination Committee during the Period
- (D) Member of the Disclosure Committee during the Period
- (E) Member of the Environmental, Social and Governance Committee during the Period

Portfolio Valuations

These investments have been valued in accordance with the accounting policies on Investments set out in note 1 of the Half-Year Consolidated Financial Statements.

As at 31 July 2023 the Group's equity interests were as follows:

Ag Guard PTY Limited

(www.agguard.com.au)

Ag Guard is a Managing General Agency, which provides insurance to the agricultural sector, based in Sydney, Australia. The Group holds its investment through Ag Guard's Parent Company, Agri Services Company PTY Limited.

Date of investment: July 2019

Equity stake: 41.0%

31 July 2023 valuation: £5,390,000

Asia Reinsurance Brokers (Pte) Limited

(www.arbrokers.asia)

ARB is an independent specialist reinsurance and insurance risk solutions provider headquartered in Singapore.

Date of investment: April 2016

Equity stake: 25.0%

31 July 2023 valuation: £0

ATC Insurance Solutions PTY Limited

(www.atcis.com.au)

ATC is a Managing General Agency and Lloyd's Coverholder, specialising in accident & health, construction & engineering, trade pack, motor and sports insurance headquartered in Melbourne, Australia.

Date of investment: July 2018

Equity stake: 25.6%

31 July 2023 valuation: £18,261,000

CBC UK Limited

(www.cbcinsurance.co.uk)

CBC is a Retail and Wholesale Lloyd's Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries. The Group holds its investment in CBC through CBC's parent company, Paladin Holdings Limited.

Date of investment: February 2017

Equity stake: 41.2%

31 July 2023 valuation: £30,530,000

Criterion Underwriting (Pte) Limited

Criterion was established to provide specialist insurance products to a variety of clients in the cyber, financial lines and marine sectors in Far East Asia, based in Singapore.

Date of investment: July 2018

Equity stake: 29.4%

31 July 2023 valuation: £0

Portfolio Valuations

The Fiducia MGA Company Limited

www.fiduciamga.co.uk

Fiducia is a UK marine cargo Underwriting Agency and Lloyd's Coverholder which specialises in the provision of insurance solutions across a number of marine risks including, cargo, transit liability, engineering and terrorism insurance.

Date of investment: November 2016

Equity stake: 35.2%

31 July 2023 valuation: £4,301,000

LEBC Holdings Limited

www.lebc-group.com

LEBC is an Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas.

Date of investment: April 2007

Equity stake: 59.3%

31 July 2023 valuation: £15,947,000

Lilley Plummer Risks Ltd

www.lprisks.co.uk

Lilley Plummer Risks is a specialist marine Lloyd's broker that provides products across the marine insurance market. The Group holds its investment in Lilley Plummer Risks through its holding company Lilley Plummer Holdings Limited.

Date of investment: October 2019

Equity stake: 30.0%

31 July 2023 valuation: £8,861,000

Kentro Capital Limited

www.kentrocapi.com

Kentro is an independent Managing General Agency and Broker specialising in the provision of directors & officers, professional indemnity, financial institutions, accident & health, trade credit, political risks insurance, surety, bond and latent defect insurance, both in the UK and globally.

Date of investment: August 2014

Equity stake: 18.7%

31 July 2023 valuation: £51,522,000

Pantheon Specialty Group Limited

www.pantheonspecialty.com

Pantheon is a holding company established in partnership with Robert Dowman. Pantheon acquired 100% of the share capital of the Lloyd's broker Denison and Partners Limited. With the support of B.P Marsh, Robert Dowman is looking to build a market leading independent specialist broker, across multiple markets.

Date of investment: June 2023

Equity stake: 25.0%

31 July 2023 valuation: £132,000

Portfolio Valuations

Sage Program Underwriters, Inc.

(www.sageuw.com)

Sage provides specialist insurance products to niche industries, initially in the inland delivery and field sport sectors based in Bend, Oregon.

Date of Investment: June 2020

Equity Stake: 30.0%

31 July 2023 Valuation: £1,599,000

Stewart Specialty Risk Underwriting Ltd

(www.ssruc.ca)

SSRU is a Managing General Agency, providing insurance solutions to a wide array of clients in the construction, manufacturing, onshore energy, public entity and transportation sectors based in Toronto, Canada.

Date of investment: January 2017

Equity stake: 30.0%

31 July 2023 valuation: £11,870,000

Sterling Insurance PTY Limited

(www.sterlinginsurance.com.au)

Sterling is a specialist Underwriting Agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including mining, construction and demolition based in Sydney Australia. The Group holds its investment in Sterling via a joint venture with Besso Insurance Group Limited, Neutral Bay Investments Limited.

Date of investment: June 2013

Equity stake: 49.9%

31 July 2023 valuation: £3,527,000

Verve Risk Services Limited

Verve is a London based Managing General Agency specialising in Professional and Management Liability for the insurance industry. Verve operates in the USA, Canada, Bermuda, Cayman Islands and Barbados.

Date of investment: April 2023

Equity stake: 35.0%

31 July 2023 valuation: £431,000

XPT Group LLC

(www.xptspecialty.com)

XPT is a wholesale insurance broking and Underwriting Agency platform across the U.S. Specialty Insurance Sector operating from many locations in the United States of America.

Date of investment: June 2017

Equity stake: 27.3%

31 July 2023 valuation: £33,444,000

Company Information

Directors

Brian Marsh OBE (*Chairman*)

Alice Foulk (*Managing Director*)

Jonathan Newman (*Group Finance Director*)

Daniel Topping (*Chief Investment Officer*)

Pankaj Lakhani (*Non-executive*)

Nicholas Carter (*Non-executive*)

Company Secretary

Sinead O'Haire

Company Number

05674962

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Broker and Nominated Adviser

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40 Gracechurch Street

London, EC3V 0BT

Registrar

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