

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 2024





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 60 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

Contents

2	Group Profile
3	Group Valuations
4	Statement by the Chairman and Managing Director
6	Chief Investment Officer's Portfolio Update, New Business and Outlook
16	Chief Finance Officer's Update
20	Consolidated Statement of Comprehensive Income
21	Consolidated Statement of Financial Position
22	Directors & Company Secretary
24	Investments
28	Company Information

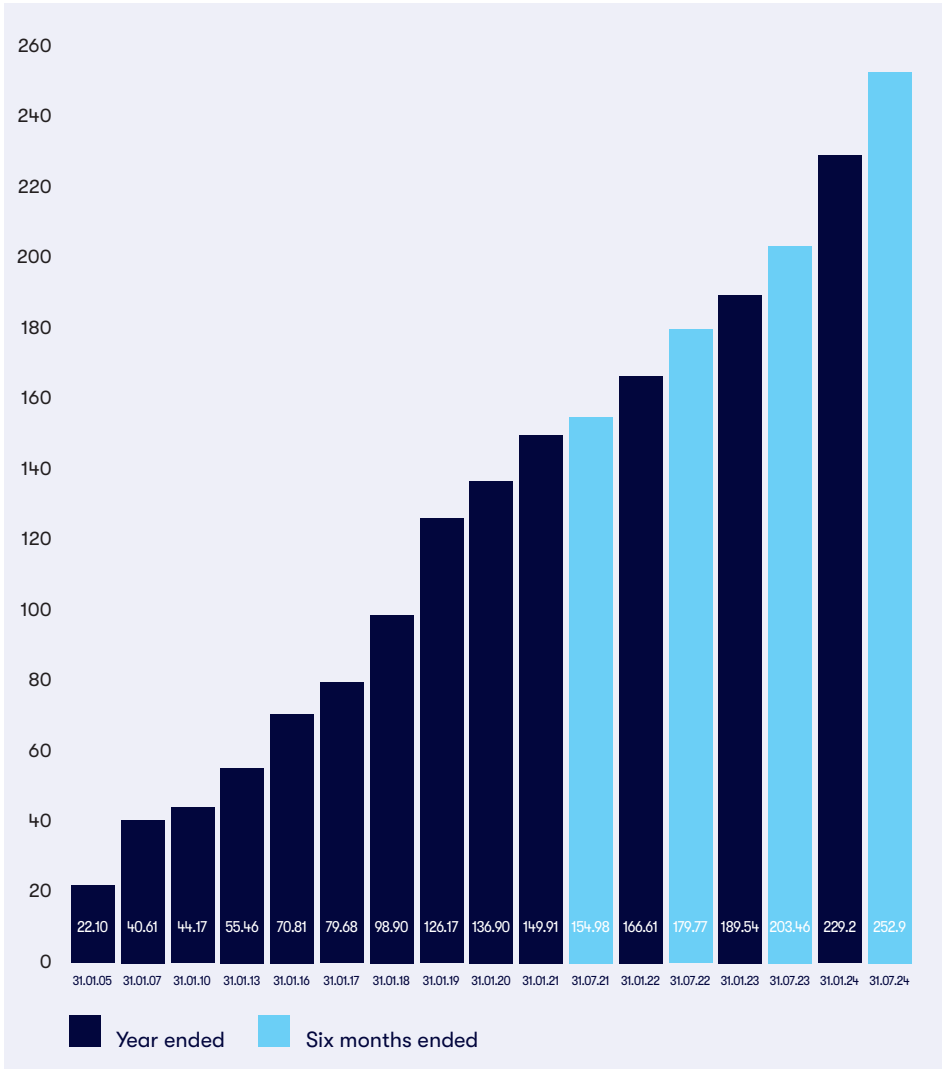


“We are pleased to report another strong set of results, delivering growth in portfolio value, investment realisations and shareholder returns. The completion of the disposal of Paladin during the period showcases the success of B.P. Marsh’s investment model, our ability to identify opportunities and to back successful management teams.

We remain committed to maintaining this momentum, leveraging our expertise to drive further sustainable growth via new investment opportunities and follow-on funding.

The Board is pleased to welcome Fran as CFO, and given her extensive experience and long-standing tenure, we believe she is well-suited to assume the role. We would also like to thank Jon for his service and wish him well for his future endeavours.”

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 2024 (the “Period”).

The financial highlights for the Period are:

- Total Shareholder return of 12.1% for the Period comprising the growth in Net Asset Value and the aggregate dividends paid in March, May and July 2024
- Net Asset Value has increased by £23.7m over the Period to £252.9m, a 10.3% increase (31 January 2024: £229.2m; 31 July 2023: £203.5m)
- Net Asset Value per share 690.8p*, a 9.8% increase (31 January 2024: 629.0p; 31 July 2023: 567.3p)
- Consolidated profit before tax of £29.0m for the Period (six months to 31 July 2023: £15.6m; year ending 31 January 2024: £43.6m)
- Group liquidity of £80.2m as at 31 July 2024
- Two Post Period new investments, both Underwriting Agencies, in CEE Specialty and Volt UW
- Current liquidity £78.4m

* The fully diluted Net Asset Value per share is 658.5p and includes the remaining 1,038,699 shares held within the Employee Benefit Trust, but also includes £2.9m of loan repayable if the remaining shares, including 236,259 currently unallocated, are sold. The diluted NAV per share also includes the 1,682,500 options over ordinary shares granted to certain Directors and employees of the Group in November 2023 as the performance criteria for NAV growth had been met as at 31 July 2024 (31 January 2024: 626.9p; 31 July 2023: 556.3p).

Chairman’s Statement

During the Period the Group’s Net Asset Value (“NAV”) has grown by £23.7m from £229.2m (31 January 2024) to £252.9m which together with the aggregate dividends paid in March 2024, May 2024 and July 2024 represents a Total Shareholder Return of 12.1%. This equals an NAV per share of 658.5p on a fully diluted basis following the vesting of the shares in the Group’s Joint Share Ownership Plan and inclusion of the options over the Company’s shares granted under the Group’s Share Option Plan in November 2023 following achievement of the NAV growth criteria; an increase of 5.0% from 31 January 2024.

As previously announced, during the Period, the Group completed a new investment in Devonshire UW Limited, a transactional risk Underwriting Agency. The Group also made a further investment into Pantheon Specialty Group Limited, acquiring a further 7% from Management, bringing its shareholding up to 32%. The Company also participated in a pre-emption process at XPT Group LLC, whereby it acquired US \$1.0m worth of shares as part of a wider internal share issue.

Post Period end the Group has made two further new investments. These were also in Underwriting Agencies; one based in the Czech Republic, CEE Specialty s.r.o., and the other is a newly established energy Underwriting Agency, Volt UW Ltd. The Board was impressed with the track record and strategic positioning displayed by the respective management teams and is looking forward to partnering with these strong management teams and assisting them to achieve their growth ambitions.

During the Period, the Company distributed the first year of its intended three year aggregate £12m dividend distribution programme with

a total of 10.72p per share (£4.0m in total) distributed in the Period. The Company has distributed 49.17p per share to its shareholders since its flotation, equivalent to 8.7% of the share price at the date of writing (567.5p).

The Board continues to aspire to pay at least a further £4m in the year to 31 January 2026 and in the year to 31 January 2027.

The Company initiated a new Share Buy-back programme in June 2024, permitting purchases up to a 15% discount to Net Asset Value, with a £1m budget allocation. During the Period 13 Share buy-back trades were conducted, purchasing an aggregate 63,132 shares for a quantum of £326,379, at an average of 517p per share. Post Period end, the maximum purchase price was increased, and the discount to Net Asset Value threshold was lowered to 10%, and a further 93,570 Shares have been bought-back, with £164,733 of the original £1m budget remaining. The Board considers that the buy-back programme has been successful, allowing the Company to purchase small yet consistent parcels of Shares where available in a NAV accretive way within the restrictions set by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

As we progress through the remainder of 2024, the Group is well-positioned in terms of cash reserves and new business opportunities, enabling us to capitalise on prospects both within and beyond our current portfolio in line with the methodology that has delivered strong historic results. We aim to meet the capital needs of our portfolio to support further growth while ensuring we remain ready to invest in any promising new business opportunities that meet our criteria. The Group will carefully evaluate each investment approach to ensure that capital is invested and protected appropriately.

We are encouraged by the breadth of the current pipeline of new business opportunities.

The Board welcomed Francesca Chappell as Chief Finance Officer in September 2024, following the departure of Jonathan Newman. Ms. Chappell has been with the Company since 2013, with a wealth of experience in all areas of the business, and has been able to seamlessly transition into this role. The Company has always prioritised investment and further training within its staff base at all levels and the inherent succession planning that this can accommodate we feel will benefit all stakeholders.

The Group remains fully cognisant of the ongoing challenges posed by the broader economic climate. While there are positive indicators, such as inflation stabilising and interest rates potentially nearing their peak, these challenges are not yet fully resolved. The Group continues to monitor these developments closely, recognising that the economic landscape remains uncertain. The Group has consistently monitored the effects of the rising cost of living on its employees and has taken action where deemed necessary. Due to the Group's debt-free status and its dual investment strategy, which includes both equity and loan funding benchmarked against the base rate, we have successfully mitigated the negative impact of rising interest rates.

The Group is pleased with its performance as of July 31 2024, which reaffirms the strength of its track record.

Brian Marsh, OBE
Chairman
Alice Foulk
Managing Director
23 October 2024

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

In the six month period to 31 July 2024 the underlying portfolio performed well, continuing on from the Group's strongest set of full year results to 31 January 2024.

Over the Period, the valuation of the Group's equity portfolio has increased by 24% adjusting for additions and disposals, with NAV increasing by 10.3%.

Over the past 12 months, the equity portfolio has increased by 61.8% adjusting for additions and disposals, with NAV increasing by 24.3%.

The Group's current cash balance is £78.4m and will allow the Group to continue to do what it does best:

- Identify enterprises with robust management teams and significant growth potential;
- Provide funding, support, and development resources to these companies, enabling them to capitalise on growth opportunities; and
- Generate returns on investments made for our shareholders through a combination of ongoing equity growth within the portfolio and regular shareholder distributions.

In line with previous disposals, the Group is committed to reinvesting its cash balances into both its existing portfolio and new ventures, while also ensuring an appropriate return to shareholders through our announced dividends and Share Buy-back policies.

The Group continues to focus on identifying new business opportunities and has an active pipeline of prospects currently under consideration. This has been shown by the three investments completed by the Group both within the Period and post.

During the Period, the Group completed one new investment, being Devonshire UW Limited, a London-based Underwriting Agency, specialising in transactional risks encompassing Warranty & Indemnity, Specific Tax, and Legal Contingency Insurance.

Post Period end, the Group completed two new investments, as follows:

- **CEE Specialty s.r.o** – an underwriting agency based in Prague, Czech Republic with a branch office in Bucharest, Romania, which specialises in Marine Hull, Bonds and Liability insurance, targeting business in Central and Eastern Europe.
- **Volt UW Holdco Limited** – a London-based Underwriting Agency, which specialises in energy insurance with a clear focus on insuring property risks associated with power generation and midstream energy, in both the non-renewable and renewable sector.

The Group remains dedicated to uncovering new business opportunities and has an active pipeline of prospects currently in evaluation. With this robust pipeline, the Group anticipates making additional investments by the end of its financial year on 31 January 2025.

B.P. Marsh is highly regarded within the financial services (sub)sector in which it specialises, particularly concerning Insurance Brokers and Underwriting Agencies.

The Group continues to commit to investing in niche SME sectors, backed by skilled and knowledgeable management teams, which promotes long-term growth and generates significant value.

Given the strength of the Group's cash position and its market reputation, we believe the business is well-equipped to seize opportunities within our current portfolio, as well as explore new prospects in the financial services sector, particularly in the insurance market.

The Group is actively tracking emerging trends in the insurance sector, with a focus on premium rates and mergers and acquisitions ("M&A").

The latest trends in rate changes show that across the global insurance market, rates were flat in the second quarter of 2024. This is the first time since the third quarter of 2017 that global insurance has not increased. This also represents a decrease from the peak rate of 22% observed in the fourth quarter of 2020.

Rate increases were less consistent across all lines and regions in which our portfolio operates. Rates are still increasing across specific product lines and in regions across the world.

Global Casualty rates increased by 3% in the second quarter of 2024, which was the same increase as in the first quarter of 2024. Global Property rates were flat in the second quarter of 2024, down from a 3% increase in the first quarter of 2024.

Global Financial and Professional lines, alongside Cyber, were the main driver of overall rate increasing slowing down, falling by 5% and 6% in the second quarter of 2024 respectively.

Rate increases continue to slow as overall market capacity has increased, via new market entrants and existing carriers increasing their exposure.

Overall, the Group does not anticipate a return to the pricing levels seen during the last soft market in the short term. Given the portfolio predominantly operates in specialist risk areas, rates tend to be less volatile and therefore we remain confident that our portfolio is suitably prepared to weather a softening market.

Regarding the insurance M&A market, the ongoing consolidation trends in the Insurance Market show no indication of abating in 2024. This activity remains a catalyst for substantial prospects for the Group, both in terms of new investments and activity within our core portfolio.

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

continued

Portfolio Update

New Investments

During the Period to 31 July 2024, the Group completed one new acquisition:

Devonshire UW Limited ("Devonshire")

N/A pence NAV per share change in the Period

In March 2024, the Group completed the investment in Devonshire, the London-based underwriting agency specialising in transactional risks, including Warranty & Indemnity, Specific Tax, and Legal Contingency Insurance.

The business has been founded by four experienced industry practitioners, Natasha Attray, James Dodd, James Fletcher and Charles Turnham, who have a collective 30 years of transactional liability underwriting experience.

Devonshire is backed by Lloyd's capacity with support from a strong panel of A-rated insurance capacity providers. The business will provide risk solutions for large M&A transactions for brokers, corporates, private equity firms, professional advisers and other specialist investors.

Date of initial investment: March 2024

31 July 2024 valuation: £300,000

Cost of Equity: £300,000

Equity stake: 30.00%

Post Period end, the Group completed on two further acquisitions:

CEE Specialty s.r.o ("CEE Specialty")

N/A pence NAV per share change in the Period

In September 2024, B.P. Marsh acquired a 44% shareholding in CEE Specialty, an underwriting agency based in Prague, Czech Republic with a branch office in Bucharest, Romania.

CEE Specialty was founded in 2019 and specialises in Marine Hull, Bonds and Liability Insurance, targeting businesses in Central and Eastern Europe.

The business is led by James Grindley (CEO) and Tomáš Maršálek (CFO), with CEE Specialty being previously majority owned by CEE Specialty Holdings S.A., a subsidiary of Royalton Capital Investors II L.P., an alternative investment fund manager.

James Grindley has 28 years of experience in various executive management positions within the re/insurance industry, including Lloyd's and the Central and Eastern European markets.

Tomáš Maršálek has 19 years of experience in fund management and venture capital. This has included various senior executive management positions at SMEs (including start-ups), mainly as Chief Financial Officer.

With a team of 15 insurance professionals, CEE Specialty 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.

The Company provided €3.3m of funding to complete this transaction, which was utilised in full upon completion as part of a management buy-out, with management now owning 56% of CEE Specialty.

Date of initial investment: September 2024

31 July 2024 valuation: N/A

Cost of Equity: €2,819,852 (£2,354,134)

Equity stake: 44.00%

Volt UW Holdco Limited (“Volt”)

N/A pence NAV per share change in the Period

In October 2024, the Group announced that it had subscribed for a 25.5% Cumulative Preferred Ordinary shareholding in Volt, a London-based Underwriting Agency. B.P. Marsh provided funding of up to £2.5m via both equity and a loan facility, which will be partially drawn down upon completion.

Volt specialises in energy insurance, focusing specifically on insuring property risks related to power generation and midstream energy across both non-renewable and renewable sectors. The agency was established by three seasoned

industry professionals: Chris Allison, Andrew Tokley, and Kevin Cleary.

With the backing of B.P. Marsh, management aims to develop a best-in-class, client-centric energy underwriting agency with a strong emphasis on Environmental, Social, and Governance (“ESG”) principles. The company will be headquartered in London and will underwrite a global portfolio of energy-related business, with a particular emphasis on the United States.

Volt operates as a Lloyd’s Coverholder and has secured A-rated capacity from both Lloyd’s and non-Lloyd’s carriers, with long-term profitability and sustainability for insurers and reinsurers being integral to Volt’s business strategy.

The co-founders, Chris Allison, Andrew Tokley and Kevin Cleary each have over 25 years’ experience working in senior leadership positions at various underwriting-led businesses; including large (re)insurance companies, Lloyd’s syndicates and underwriting agencies, each having a proven track record of success.

The Group looks forward to continuing its support for Volt and its management team in the years ahead, assisting the business in achieving its long-term aspirations and objectives.

Date of initial investment: October 2024

31 July 2024 valuation: N/A

Cost of Equity: £26

Equity stake: 25.50%

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

continued

Follow-on Investments and Funding

XPT Group LLC ("XPT")

+ 15.5 pence NAV per share uplift in the Period

The Group's investment in XPT, the specialty lines insurance distribution company, continues to perform well, with the business on track to produce Gross Written Premium of close to US \$900m in its financial year to 31 December 2024 (31 December 2023: US \$675m).

XPT's exceptional growth has been driven by various factors, both via its acquisition strategy, individual and team hires and underlying organic growth. This has included strong performance from XPT's property and casualty divisions and successful new producer hires in the Platinum Construction business.

XPT continues to look at new acquisitions and further announcements on this should be made before the year end.

XPT has made 16 business acquisitions since the Group first invested in 2017. XPT now has offices in 20 locations across 13 States, acting for insureds across all of the USA.

XPT's performance since its inception has been impressive and its continued acquisition strategy, alongside strong organic growth means that XPT is well positioned to continue this growth into 2025.

In the Period, the Group provided XPT with a further US \$1m of funding (c. £0.8m) as part of pre-emption offering.

Date of initial investment: June 2017

31 July 2024 valuation: £48,788,000

Cost of Equity: £13,842,158

Equity stake: 27.49%

Pantheon Specialty Limited ("Pantheon")

+ 27.3 pence NAV per share uplift in the Period

The Group first invested in Pantheon in June 2023, when it subscribed for a 25% stake in a new holding company established in partnership with Robert Dowman.

Robert has over 30 years' experience in the market and is seen by the industry as a leading London Market Casualty broker, specialising in the larger more complex liability placements across the world, whether that be on a facultative or programme basis.

Within the Period, the Group acquired from Pantheon’s founders a further 7% shareholding in Pantheon for an upfront consideration paid of £7.3m, increasing the Group’s equity stake to 32%.

Since Pantheon was established, just over one year ago, Mr Dowman has hired a number of key individuals, and has built a market leading independent specialist broker with the Pantheon team recognised as leading London Market Casualty brokers, specialising in complex liability placements worldwide.

Since investment, Pantheon has performed strongly, and in its current financial year to 31 December 2024, Pantheon is forecast to produce an adjusted EBITDA in excess of £16m. This growth has been demonstrated in Pantheon’s notable increase in valuation to £32.6m as at 31 July 2024.

Pantheon is well positioned to continue this impressive growth into 2025 and beyond.

Date of initial investment: June 2023

31 July 2024 valuation: £32,694,000

Cost of Equity: £7,300,025

Equity stake: 32.00%

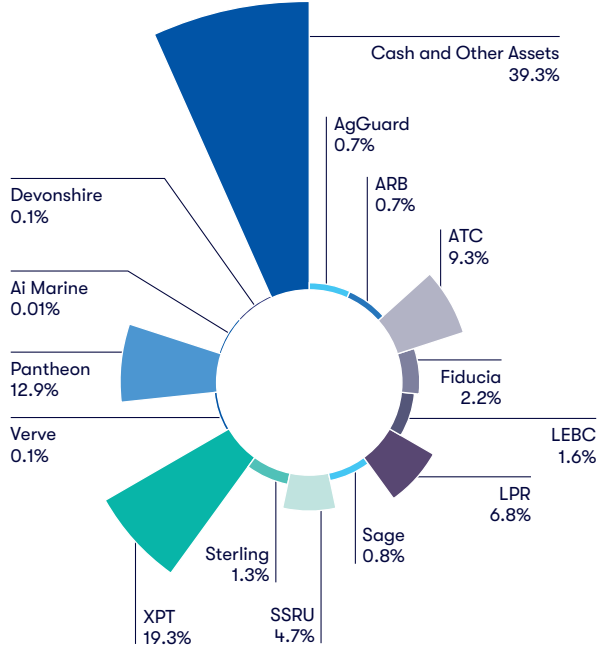
Chief Investment Officer’s Portfolio Update and Outlook

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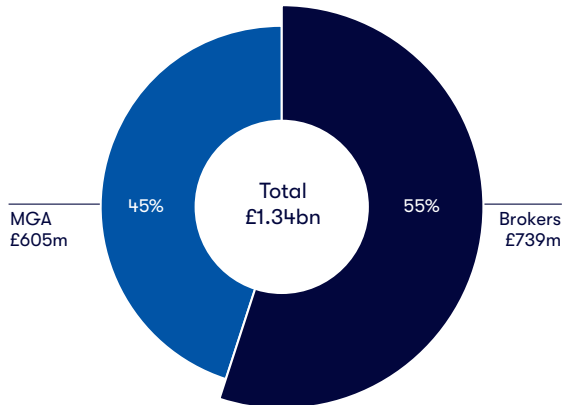
NAV breakdown by portfolio company

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

The Group’s current active investments are in the Insurance Intermediary sector.



These insurance investments are budgeting to produce in the aggregate £1.34bn of insurance premium during 2024, and a breakdown between brokers and MGAs can be found here:



Insurance Brokers

Brokers	Date of Investment	Jurisdiction	Equity % 31 Jul 2024	Cost of Investment	Valuation 31 Jul 2024	% of NAV 31 Jul 2024	Internal rate of return to 31 Jul 2024	Current Multiple on Invested Capital
XPT	Jun-17	USA	27.9%	£13,842,158	£48,788,000	19.29%	31.04%	3.5x
Pantheon Specialty	Jun-23	UK	32.00%	£7,300,025	£32,694,000	12.93%	870.41%	4.5x
Lilley Plummer Risks	Oct-19	UK	28.43%	£308,242	£17,132,000	6.77%	90.35%	55.6x
Asia Reinsurance Brokers	Apr-16	Singapore	25.00%	£1,551,084	£1,734,000	0.69%	5.44%	1.1x
Total	–	–	–	£23,001,509	£100,348,000	39.68%	–	–

The Group's Broking investments are budgeting to place over £739m of GWP, producing over £69m of commission income in 2024, accessing specialty markets around the world.

Underwriting Agencies / Managing General Agents (“MGAs”)

MGAs	Date of Investment	Jurisdiction	Equity % 31 Jul 2024	Cost of Investment	Valuation 31 Jul 2024	% of NAV 31 Jul 2024	Internal rate of return to 31 Jul 2024	Current Multiple on Invested Capital
ATC	Jul-18	Australia	25.39%	£3,345,230	£23,566,000	9.32%	38.06%	7.0x
SSRU	Jan-17	Canada	28.41%	£19	£11,870,000	4.69%	89.28%	N/A (over 1000x)
Fiducia	Nov-16	UK	35.18%	£227,909	£5,631,000	2.23%	24.07%	24.7x
Ag Guard	Jul-19	Australia	41.00%	£1,465,071	£1,818,000	0.72%	11.22%	1.2x
Sterling	Jun-13	Australia	19.70%	£1,945,411	£3,326,000	1.32%	9.03%	1.7x
Sage	Jun-20	USA	30.00%	£202,758	£2,036,000	0.81%	79.25%	10.0x
Verve	Apr-23	UK	35.00%	£430,791	£365,000	0.14%	6.84%	0.8x
Ai Marine	Dec-23	UK	30.00%	£30,000	£30,000	0.01%	38.50%	1.0x
Devonshire	Mar-24	UK	30.00%	£300,000	£300,000	0.12%	39.24%	1.0x
CEE Specialty	Sep-24	Czech Republic	44.00%	£2,354,134	N/A	N/A	N/A	N/A
Volt UW	Oct-24	UK	25.50%	£26	N/A	N/A	N/A	N/A
Total	–	–	–	£10,301,349	£48,942,000	19.35%	–	–

The Group's MGAs are budgeting to place almost £605m of GWP, producing over £71m of commission income in 2024, across over 30 product areas, on behalf of more than 50 insurers.

Chief Investment Officer's Portfolio Update and Outlook

continued

Holding Company for exited investment with Deferred Consideration:

LEBC Holdings Limited (“LEBC”)

- 2.4 pence NAV per share change in the Period

In the Period, the previously announced transaction whereby LEBC sold its wholly owned subsidiary Aspira Corporate Solutions Limited to Titan Wealth Holdings Limited, completed on 16 April 2024.

The transaction allowed LEBC to meet all its obligations as agreed with the Financial Conduct Authority regarding historical defined benefit pension transfer advice.

Further proceeds of the sale will be received over a three year earn-out period. As at our last set of results, due to the number of variables involved, the Group has taken a conservative approach to potential proceeds, which has been factored into its valuation of LEBC as at 31 July 2024.

Date of initial investment: April 2007

31 July 2024 valuation: £4,156,000

Cost of Equity: £13,473,657

Equity stake: 61.86%

Portfolio Company Highlights:

ATC Insurance Solutions PTY Limited (“ATC”)

+ 13.6 pence NAV per share change in the Period

ATC continues to perform strongly across its many product offerings in accident & health, motor and sports insurance, amongst others.

For the financial year ending 30 June 2024, ATC achieved substantial year-on-year growth in Gross Written Premium, Revenue, and EBITDA.

Specifically, ATC generated EBITDA approaching AU \$15m, marking an increase of over 40% compared to the previous financial year.

Looking ahead, ATC are looking to increase GWP by over 20% to over AU \$225m in their current financial year to June 2025, which demonstrates ATC's continued ambition to continue their impressive growth record to date.

Date of initial investment: July 2018

31 July 2024 valuation: £23,566,000

Cost of Equity: £6,476,595

Equity stake: 25.39%

Lilley Plummer Risks Limited (“LPR”)

+ 9.5 pence NAV per share change in the Period

Lilley Plummer Risks (“LPR”) has continued to deliver outstanding performance, driven by growth in its core marine insurance portfolio and expansion into additional sectors.

The company has made strategic hires to support its entry into new business lines, reflecting a long-term goal of evolving into a multi-line specialist insurance broker. LPR is actively exploring the market for team acquisitions to accelerate this growth.

In terms of financial expectations, the company forecasts an EBITDA of no less than £5m for its financial year ending December 2024 as previously announced.

Date of initial investment: October 2019

31 July 2024 valuation: £17,132,000

Cost of Equity: £308,242

Equity stake: 28.43%

Stewart Specialty Risk Underwriting Ltd (“SSRU”)

0 pence NAV per share change in the Period

SSRU continues to deliver specialist insurance products to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors.

In SSRU’s year to 31 December 2023, Gross Written Premium exceeded CA \$75m, with the budget of approaching CA \$100m for 2024, with further growth expected into 2025.

If SSRU achieves its 2024 budget, EBITDA would have over doubled since 2020, from c. CA \$3.5m to CA \$9.2m, with further growth expected into 2025.

During the Period, SSRU entered into two new carrier partnerships. These new strategic alliances not only expand SSRU’s capacity but also reinforce its commitment to offering innovative solutions to their broker partners and insureds.

These new carrier partnerships will allow SSRU to continue on its journey of organic growth of its existing, highly profitable business lines.

Date of initial investment: January 2017

31 July 2024 valuation: £11,870,000

Cost of Equity: £19

Equity stake as at 31 July 2024: 28.41%

Dan Topping
Chief Investment Officer
23 October 2024

Chief Finance Officer's Update

I am pleased to present my first update as Group Chief Finance Officer.

The Group had another strong period, delivering an increase in NAV of £23.7m (10.3%) to £252.9m, compared with an increase of £13.9m (7.3%) in the same period in 2023. Including the £4.0m aggregate dividend paid in March 2024, May 2024 and July 2024, this represented an overall return of 12.1% for the Period.

Over the year to 31 July 2024 the NAV has increased by £49.4m (24.3%). Including the £5.0m aggregate dividend paid in November 2023, March 2024, May 2024 and July 2024, this represents an overall return of 26.7%.

The NAV of £252.9m at 31 July 2024 represents a total increase in NAV of £223.7m 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 9.7% in Group NAV after running costs, realisations, losses, distributions and corporation tax since flotation and 12.2% since 1990.

The equity investment portfolio continued to increase in value, rising by 24.0% to £153.4m (31 January 2024: £165.4m) after adjusting for £42.1m of net realisations and £9.5m of acquisitions in the Period, and after adjusting for a £9.0m reclassification of deferred consideration relating to the disposal of Paladin from the equity investment portfolio to a debtor within the Consolidated Statement of Financial Position.

The Group made one realisation during the Period totalling £42.1m, being the sale of the Group's entire 38.63% investment in Paladin which completed on 22 March 2024.

The Group invested a total of £9.5m in equity in the portfolio during the Period (6 months to 31 July 2023: £0.4m):

- £9.2m into the existing portfolio, including £7.3m in Pantheon, £1.1m in LEBC and £0.8m in XPT; and
- £0.3m into one new investment, Devonshire.

Operating income

Net gains from investments were £28.3m for the Period, of which £28.1m related to unrealised gains on the revaluation of the investment portfolio, compared to £14.8m of net gains for the 6 months to 31 July 2023, a 91.2% increase.

Despite the Group making two significant realisations in the 12 month period to 31 July 2024, income from the portfolio for the Period increased from £4.0m in H1 2023 to £4.2m in H1 2024. Dividend income was £0.1m higher due to strong investment portfolio performance, whilst loan interest increased by £0.3m as a result of new loans granted and higher interest rates charged due to Bank of England base rate increases. Fee income decreased by £0.1m due to there being a higher amount of one-off transaction and loan arrangement fees charged in H1 2023 compared to H1 2024 as well as a general reduction in fees charged due to the realisations made over the 12 months to 31 July 2024.

Operating expenses

A significant proportion of the increase in operating expenses to £4.9m in the Period from £2.8m in H1 2023 related to increased staff costs of £1.9m in line with the Company's financial performance and realisations made, which resulted in one-off bonuses being awarded to staff. The remaining £0.2m increase related to general cost inflation and expenses relating to the implementation of the Group's Share Option Scheme.

Profit on ordinary activities

The consolidated profit on ordinary activities before taxation for the Period was £29.0m which represented an increase of 86% over the £15.6m reported in the same period in 2023. The consolidated profit on ordinary activities after tax was £26.6m, representing an increase of 71% over the £15.5m reported in H1 2023.

The Group's strategy is to cover expenses from the portfolio yield. On an underlying basis, including treasury returns and realised gains, but excluding unrealised investment activity (unrealised gains on equity revaluation and provision against loans receivable from investee companies), this was achieved with a pre-tax profit of £0.9m for the Period (H1 2023: £0.8m).

Liquidity and loan portfolio

In addition to contributing equity to its investment portfolio, the Group frequently extends loan financing, either as part of the initial investment structure or as subsequent funding to support further growth. This additional financing may be used for acquisitions, working capital, recruitment, or product development.

Chief Finance Officer's Update

continued

The loan portfolio decreased by £9.7m during the Period to £19.2m at 31 July 2024 (31 January 2024: £28.9m, 31 July 2023: £17.8m). The Group provided £1.4m in new loans – £0.4m to Ai Marine and £1.0m to Devonshire. The Group received £11.0m in loan repayments – £5.9m from Paladin, £3.3m from LEBC, £1.5m from Pantheon and £0.3m from Fiducia. In addition there was a £0.1m reduction due to foreign exchange movements and loan impairments.

Since 31 July 2024 the Group has provided £2.2m in further loans, including £1.6m in respect of its new investments in Volt (£1.2m) and CEE Specialty (£0.4m) and £0.6m to its existing portfolio in respect of further drawdowns from agreed loan facilities, with £0.3m provided to Devonshire, £0.2m to Ai Marine and £0.1m to Verve. The Group also received £1.1m in loan repayments, including £1.0m from Pantheon and £0.1m from Fiducia. The loan portfolio balance is currently £20.2m.

At 31 July 2024 the Group had total available cash and treasury funds of £80.2m (31 January 2024: £40.5m, 31 July 2023: £4.3m).

Between 31 January 2024 and 31 July 2024 the Group paid dividends totalling £4.0m and bought back £0.3m in shares.

The Group is debt free.

Undiluted / diluted NAV per share

The NAV per share at 31 July 2024 is 690.8p (31 January 2024: 629.0p and 31 July 2023: 567.3p). Previously, 1,461,302 shares being held within an Employee Benefit Trust as part of a long-term share incentive plan for certain directors and employees of the Group were excluded as they did not carry voting or dividend rights. However, in October 2023, voting and dividend rights were granted for the 1,206,888 allocated shares which resulted in them being included in the undiluted NAV per share calculation. During the Period 404,448 of these allocated shares were sold, leaving 802,440 allocated shares within the Employee Benefit Trust. During the period the Group received £1.2m of loan debt owed by the Trust in relation to the original transfer of shares which is reflected within the Group's NAV of £252.9m as at 31 July 2024. The remaining 802,440 allocated shares are included in the undiluted NAV per share calculation, alongside £2.2m of loan debt, which remains repayable by the Trust in relation to the original transfer of shares. This debt cannot currently be consolidated within the accounts but will be repaid if the shares are sold.

The diluted NAV per share as at 31 July 2024 is 658.5p (31 January 2024: 626.9p and 31 July 2023: 556.3p). This includes the full 1,038,699 shares remaining within the Employee Benefit Trust and also includes £2.9m of loan repayable if the shares, including the 236,259 shares that are currently unallocated, were sold.

The diluted NAV per share calculation also includes the 1,682,500 options over ordinary shares granted to certain Directors and employees of the Group in November 2023, which became dilutive as at 31 July 2024 as the performance criteria for NAV growth had been met.

Francesca Chappell
Chief Finance Officer
23 October 2024

Consolidated Statement of Comprehensive Income

For the period ended 31 July 2024

	Unaudited 6 months to 31 July 2024		Unaudited 6 months to 31 July 2023		Audited Year to 31 January 2024	
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investments						
Realised gains / (losses) on disposal of equity investments (net of costs)	1,551		(41)		(37)	
Net (provision) / release of provision made against equity investments and loans	(1,369)		12		24	
Unrealised gains on equity investment revaluation	28,113		14,755		43,711	
		28,295		14,726		43,698
Income						
Dividends	2,368		2,280		3,504	
Income from loans and receivables	1,123		815		1,861	
Fees receivable	721		860		2,103	
		4,212		3,955		7,468
Operating income		32,507		18,681		51,166
Operating expenses		(4,909)		(2,844)		(7,881)
Operating profit		27,598		15,837		43,285
Financial income	1,566		95		721	
Financial expenses	(86)		(25)		(55)	
Exchange movements	(30)		(349)		(333)	
		1,450		(279)		333
Profit on ordinary activities before taxation		29,048		15,558		43,618
Income taxes		(2,428)		(6)		(1,089)
Profit on ordinary activities after taxation attributable to equity holders		26,620		15,552		42,529
Total comprehensive income for the period		26,620		15,552		42,529
Earnings per share – basic (pence)		72.0p		43.3p		114.7p
Earnings per share – diluted (pence)		68.4p		41.6p		114.0p

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

Consolidated Statement of Financial Position

As at 31 July 2024

	Unaudited 31 July 2024		Unaudited 31 July 2023		Audited 31 January 2024	
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Property, plant and equipment	59		72		65	
Right-of-use asset	425		590		507	
Investments – equity portfolio	153,446		133,489		115,833	
Loans and receivables	21,017		13,741		16,197	
		174,947		147,892		132,602
Current assets						
Investments – assets held for sale	–		52,326		49,549	
Investments – treasury portfolio	–		80		78	
Trade and other receivables	7,927		6,415		15,633	
Cash and cash equivalents	80,233		4,257		40,435	
		88,160		63,078		105,695
Liabilities						
Non-current liabilities						
Lease liabilities	(315)		(505)		(416)	
Deferred tax liabilities	(9,081)		(5,604)		(6,687)	
		(9,396)		(6,109)		(7,103)
Current liabilities						
Trade and other payables	(649)		(1,226)		(1,843)	
Lease liabilities	(189)		(180)		(180)	
		(838)		(1,406)		(2,023)
Net assets		252,873		203,455		229,171
Capital and reserves – equity						
Called up share capital	3,729		3,747		3,729	
Share premium account	29,351		29,348		29,345	
Fair value reserve	88,941		121,291		112,768	
Reverse acquisition reserve	393		393		393	
Capital redemption reserve	25		7		25	
Capital contribution reserve	72		72		72	
Retained earnings	130,362		48,597		82,839	
Shareholders' funds – equity		252,873		203,455		229,171
Net Asset Value per share – undiluted (pence)	690.8p		567.3p		629.0p	
Net Asset Value per share – diluted (pence)	658.5p		556.3p		626.9p	

The Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 22 October 2024 and signed on its behalf by:

B.P. Marsh & F.L. Chappell

Directors & Company Secretary

Brian Marsh OBE

(Executive Chairman), aged 83 (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 38.2% of the Company.

Alice Foulk BA (Hons)

(Managing Director), aged 37 (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 90,414 ordinary shares in B.P. Marsh held as part of the Company's Joint Share Ownership Plan and 25,809 ordinary shares in B.P. Marsh which are held in the Company's SIP Trust. Furthermore, Alice has options over 260,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Daniel Topping MCSI, FCG

(Chief Investment Officer), aged 40

(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 142,281 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 26,396 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 and 1,758 held by his daughter, Felicity Topping. Daniel has options over 220,000 ordinary shares as part of the Company's Share Option Plan announced on 15 November 2023.

Francesca Chappell (née Lowley) FCCA

(Chief Finance Officer), aged 35,
appointment date 16 September 2024

Fran joined B.P. Marsh in 2013 and has over a decade of experience in the financial services sector having had various senior financial roles at B.P. Marsh. In 2018, Fran was appointed as

a Director of B.P. Marsh & Company Limited. Fran is a Fellow Chartered and Certified Accountant (“FCCA”). Throughout her time at B.P. Marsh, Fran has been involved in all aspects of the Group’s finance function. This has included a key role with the Valuation Committee, assisting the Group’s Portfolio across a variety of financial matters, and assisting with the New Business process. Fran currently sits on the Company’s Investment Committee and has recently been appointed to the Valuation Committee and Disclosure Committee. Fran has a direct beneficial interest in 587 ordinary shares in B.P. Marsh together with a beneficial interest as joint owner in 86,104 ordinary shares in B.P. Marsh held as part of the Company’s Joint Share Ownership Plan and 25,809 ordinary shares in B.P. Marsh which are held in the Company’s SIP Trust. Furthermore, Fran has options over 137,500 ordinary shares as part of the Company’s Share Option Plan announced on 15 November 2023.

Pankaj Lakhani FCCA

(Non-executive), aged 70 (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 81 (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 29,000 ordinary shares in B.P. Marsh and also has an indirect beneficial interest in 6,383 shares held by his wife, Fiona Carter.

Sinead O’Haire, LLB (Hons), FCG (Chief Legal Officer & Group Company Secretary), aged 39 (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 117,614 ordinary shares in B.P. Marsh held as part of the Company’s Joint Share Ownership Plan and 34,516 ordinary shares in B.P. Marsh which are held in the Company’s SIP Trust. Furthermore, Sinead has options over 200,000 ordinary shares as part of the Company’s Share Option Plan announced on 15 November 2023.

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

Investments

As at 31 July 2024 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 2024 valuation: £1,818,000

Ai Marine Risk Limited

(www.aimarinerisk.com)

Ai Marine is a start-up MGA with a focus on marine hull insurance and with a strong focus on the UK & Europe, Middle East and Asia Pacific regions.

Date of investment: December 2023

Equity stake: 30.0%

31 July 2024 valuation: £30,000

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 2024 valuation: £1,734,000

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: 25.4%

31 July 2024 valuation: £23,566,000

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 2024 valuation: £0

Devonshire UW Limited

(www.devonshire-underwriting.co.uk)

Devonshire is a London-based Underwriting Agency specialising in transactional risks.

Date of investment: March 2024

Equity stake: 30.0%

31 July 2024 valuation: £300,000

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 2024 valuation: £5,631,000

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: 61.9%

31 July 2024 valuation: £4,156,000

Lilley Plummer Risks Limited

(www.lprisks.co.uk)

Lilley Plummer Risks is an independent Lloyd's broker that provides a wide array of offerings in several diverse and niche areas. The Group holds its investment in Lilley Plummer Risks through its holding company Lilley Plummer Holdings Limited.

Date of investment: October 2019

Equity stake: 28.4%

31 January 2024 valuation: £17,132,000

Investments

continued

Pantheon Specialty Group Limited

(www.pantheonspecialty.com)

Pantheon is a holding company established in partnership with Robert Dowman. 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: 32.0%

31 July 2024 valuation: £32,694,000

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 2024 valuation: £2,036,000

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: 19.7%

31 July 2024 valuation: £3,326,000

Stewart Specialty Risk Underwriting Ltd

(www.ssrु.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: 28.4%

31 July 2024 valuation: £11,870,000

Verve Risk Services Limited

(www.ververisk.com)

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 2024 valuation: £365,000

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: 27.5%

31 July 2024 valuation: £48,788,000

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

Company Information

Directors

Brian Marsh OBE (Chairman)
Alice Foulk (Managing Director)
Daniel Topping (Chief Investment Officer)
Francesca Chappell (Chief Finance Officer)
Pankaj Lakhani (Non-executive)
Nicholas Carter (Non-executive)

Company Secretary

Sinead O'Haire

Company Number

05674962

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Joint Corporate Broker

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Registrar

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