

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

7 September 2023



Touchstar plc

Interim results for the Six months ended 30 June 2023

Positive trends continue, confidence in 2023 outcome with dividend introduced and share buyback commenced

The Board of Touchstar plc ((AIM:TST) "Touchstar", the "Company" or the "Group"), suppliers of mobile data computing solutions and managed services to a variety of industrial sectors, is pleased to announce its interim results for the six months ended 30 June 2023 ("H1 23" and "Period").

Key Financials

| | H1 23 | H1 22 | % increase |
|------------------------------------------|--------------|------------|-------------|
| Revenue | £3,726,000 | £3,102,000 | up 20.1% |
| Margin | 55.4% | 59.8% | Down 440bps |
| EBITDA | £657,000 | £560,000 | up 17.3% |
| Pre-tax profits | £307,000 | £104,000 | up 195.2% |
| Profit after tax | £271,000 | £164,000 | up 65.2% |
| Basic earnings per share ("EPS") | 3.20p | 1.93p | Up 65.8% |
| Cash net of overdraft and CIBLs * | £2,761,000 | £1,602,000 | up 72.3% |
| Order book at end H1 | £1,313,000 | £1,061,000 | up 23.8% |
| Recurring revenue | £1,435,000 | £1,311,000 | up 9.5% |
| Proposed interim dividend | 1.0p a share | nil | +1.0p |

* CIBLs Coronavirus Business Interruption Loan fully repaid in July 2022

H1 23 financial highlights

- Total revenue up 20% to £3,726,000 (H1 22: £3,102,000)
- Recurring revenue up 9.5% to £1,435,000 (H1 22: £1,311,000)

- Margins declined 440 basis points in H1:23 to 55.4% (H1 22: 59.8%) predominately due to product mix and investment variation
- Higher revenues drove continued improvement in profitability
 - Profits before tax up 195.2% to £307,000 (H1 22: £104,000)
 - After tax profit growth of 65.2% to £271,000 (H1 22: £164,000)
 - EPS rose by 65.8% to 3.20p (H1 22: 1.93p)
 - EBITDA increase of 17.3% to £657,000 (H1 22: £560,000)
 - Net cash of £2,761,000 at 30 June 2023 (H1 22: £1,602,000)
 - Cash per share of 32.6p (H1 22: 18.9p)
- New order intake remains solid with the order book standing at £1,313,000 (H1 22: £1,061,000)
- Board's confidence in the future highlighted by the introduction of an interim dividend of 1p per share

Outlook and strategic progress

- Business continued to invest in improving products and ensuring excellent service to our customers
- The buoyant order book and trading momentum underpins the prospects for 2023
- Solid H1 performance has continued, setting up another year of improved financial performance
 - The Board's expectations remain unchanged for the full year outcome
 - Further growth in total revenue
 - Recurring revenue growth continues
 - Margins to normalise in H2 23
 - Strong cash generation for the year as a whole
- Begun investment in enhancing the long-term organic growth potential of the business creating a platform for expansion and further sustainable growth
 - Sales and marketing commenced in several overseas territories and the initial response from these markets has been encouraging
 - Local relationships and distribution partnerships identified, and discussion commenced.
- Management has identified opportunity to enhance products and enter new markets by potential bolt-on acquisitions again these are at an early stage of development
- Capital reduction process was approved by the courts on 19 April 2023, the Board's current intention to return excess cash by way of the dividends and through share buyback
 - Post the Period-end, the Company purchased 225,000 shares which are held in treasury at a cost of £203,836. The budget plans for a buyback of £300,000 of shares per year, this should be accretive to EPS
 - Company confirmed the introduction of a proposed interim dividend of 1p a share

Commenting today, Ian Martin, Chairman of Touchstar, said: *"Touchstar has traded well in 2023 to date. Revenue growth has translated into another period of improved financial performance. It is perhaps testament to how far we have come that the business has achieved revenue growth of 20% and profits and earnings increases of over 65%.*

The order book remains strong, sales prospects encouraging, providing confidence that 2023 will be another constructive year and puts in place the foundations for that trend to continue through into subsequent years."

For further information, please contact:

Touchstar plc

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WH Ireland – Nominated Adviser & Broker

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CHAIRMAN'S INTERIM STATEMENT 2023

Overview

Touchstar continued to trade well in H1 2023. Revenue growth has translated into another period of improved financial performance.

As we continue our evolution the standards and benchmarks we set ourselves have been raised. Although by many metrics the performance in H1 2023 was positive I would characterise it as solid.

It is perhaps testament to how far we have come that the business has achieved revenue growth of 20% and profits and earnings increases of over 65% on the same period of 2022.

The order book remains strong, sales prospects encouraging, providing confidence that 2023 as a whole will be another constructive year, firming the foundations for that trend to continue through into subsequent years.

Business Review

The activities within the areas of our business on the whole remain largely buoyant. Whilst the general business landscape is a little uncertain, Touchstar continues to secure new customers as well as building further sales through existing customer expansion and upgrades. We have seen some positive signs in successfully cross selling recent product additions into existing customers' businesses. In addition to this the prospects of both new customers and existing customer business remains healthy, and margins remain consistent with our forecasts.

We have been active in recruitment of additional technical staff to improve delivery timescales and maximise revenue opportunities. Although impacting the gross margin, this is having a positive effect on the business and provides greater security for product development and support going forward.

We are making good progress in spreading the Touchstar word to new regions and have a number of export opportunities lined up for 2024. Establishing oneself in a new region does take time, however we are encouraged with the positive reception we are experiencing.

Financial results

| | H1 2023 | H1 2022 | % Change |
|---------------------------------|------------|------------|-------------------|
| Revenue | £3,726,000 | £3,102,000 | +20.1% |
| Gross margin | 55.4% | 59.8% | -440 basis points |
| Pre-tax profit | £307,000 | £104,000 | +195.2% |
| Post tax profit | £271,000 | £164,000 | +65.2% |
| Earnings per share (EPS) | 3.20p | 1.93p | +65.8% |

Revenue grew 20% in H1 23 to £3,726,000 as we convert the order book into actual revenue and cash.

Gross margins were impacted in the period by sales mix and the acceleration of investment in growth. These factors are detailed below and caused a temporary decline of 440 basis points in gross margins to 55.4%.

The growth in revenue resulted in improved operating returns with pre-tax profits up by 195.2% to £307,000.

After a long period of receiving the benefit of tax credits we have become a tax paying entity, with a tax charge of £36,000 (H1 22: tax credit £60,000).

Even allowing for this, both post tax profits and basic earnings per share rose by over 65% to £271,000 and 3.20p respectively.

| | H1 2023 | H1 2022 | % Change |
|--------------------------|------------|------------|----------|
| Recurring revenue | £1,435,000 | £1,311,000 | +9.5% |

Recurring revenue grew a respectable 9.5% to £1,435,000 – we expect this trend to continue in H2 as we complete projects originally timetabled for H1 23. This increases our quality of earnings, makes for a more predictable outcome, and underpins future performance.

| | H1 2023 | H1 2022 | % Change |
|---------------------|---------|---------|-------------------|
| Gross margin | 55.4% | 59.8% | -440 Basis Points |

Gross margins fell 440 basis points to 55.4% as mentioned previously. This was due to three main factors.

The H1 23 general sales mix was more weighted to installation and hardware than the prior year - purely a result of timing issues.

The second included a low margin media sale for a large customer; the supply of Access Control cards that would normally be placed in lesser amounts across several quarters. We expect margins to normalised by year end.

The last factor was we were more successful than budgeted in recruiting open positions in engineering and development resource as we put in place the infrastructure and talent to effectively manage the anticipated level of future growth.

Combined with salary increases to existing employees this led to step change in cost of sales that will take a period for revenue to build and eliminate this short term drag.

Based on the implementations scheduled for H2 2023 we expect a return to the underlying trend of improving margins.

The modest increase in administrative expenses show we remain focused on costs, productivity improvement and profitability. The overall cost base of the Group increased by 15% being less than the growth in revenue of 20%.

| | H1 2023 | H1 2022 | % Change |
|-------------------------------------------------------|----------|----------|----------|
| EBITDA | £657,000 | £560,000 | +17.3% |
| Spend on Research & Development (R&D)* | £503,500 | £495,800 | + 1.6% |

| | | | |
|------------------------------|----------|----------|-------|
| R & D Capitalised | £283,300 | £280,600 | +1.0% |
|------------------------------|----------|----------|-------|

(* inclusive of amounts capitalised)

EBITDA increased by 17.3 % driven by higher revenue and profitability. Investment continued in the business with spend in R&D rising to £503,500 which represents 13.5% of revenue (2021: 16%). Capitalisation and research and development spend moved in line with each other.

| | H1 2023 | H1 2022 | Change |
|------------------------------------------|----------------|----------------|-------------------|
| Cash net of overdraft and CIBLs * | £2,761,000 | £1,602,000 | +£1,159,000 |
| Free cash generation | £(714,000) | £(778,000) | +8.0% Improvement |
| Cash per share | 32.6p | 18.9p | +13.6p per share |

* CIBLs Coronavirus Business Interruption Loan fully repaid in July 2022

The balance sheet remains strong with net cash of £2,761,000 at 30 June 2023, equivalent to 32.6 p per share. The cash generation of the business is seasonal, with the second half of the year historically very strong, and we expect substantial positive cash flow overall in 2023.

The order book ended the period at £1,313,000 (30 June 2022: £1,061,000) an increase of 23.8% over the prior year. This reflects the normalisation of trading across our markets, and the elimination of the last effects of the pandemic.

Dividend

The Board has proposed an interim dividend of 1.0 pence per share (2022: nil), consistent with the first-half increase in earnings per share.

The interim dividend is expected to be paid on 8 December 2023 to those shareholders on the register at the close of business on 10 November 2023. The ex dividend date will be 9 November 2023.

Capital Management

With the level of cash and the cash generation of the business becoming more predictable the Board feel it is appropriate not only to invest in the long-term organic growth potential of the business, but to also to consider bolt on acquisitions and develop a clear route for the enhancing of shareholder value.

The confirmation by the Court in Scotland ("Court") on 19 April 2023 of the reduction in the share premium account now gives the Company the ability to consider returning value to shareholders, either by via payment of a dividend or via share buybacks.

The Company's policy will be to pay an interim and final dividend each year. Thereafter the intention is that dividends will be progressive, linked to profitability and at least 2.5 times covered by adjusted earnings.

As announced the Company has (post the period close) begun a share buyback program. A total of 225,000 shares have been purchased to date at a total cost of £203,836. The budget is to buy back £300,000 worth of shares in 2023.

The Board

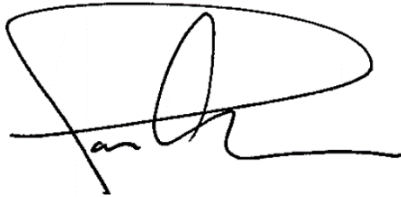
The Company has formed a Nomination Committee chaired by John Christmas (the independent non-executive) and Mark Hardy (CEO) to find my replacement, progress is being made to identify and recruit the right person and to ensure a seamless transition.

Current trading and outlook

As ever uncertainties in the economic outlook remain, but nothing that changes the Board's expectations for the full year outcome. We continue to trade in line with our plan and make good progress against our longer-term objective to build a bigger, high quality and predictable business.

The level of demand we are seeing, our order book and the planned activity of our customer base underpins our confidence that the trends in place will continue and result in another good year for the business and create momentum into 2024.

We are positive in the short, medium, and more importantly long-term fundamentals of our business.

A handwritten signature in black ink, appearing to read 'I Martin', with a large, stylized loop at the top.

I Martin
Executive Chairman
6 September 2023

**Unaudited consolidated income statement
for the six months ended 30 June 2023**

| | 30-Jun-23 | 30-Jun-22 | 31-Dec-22 |
|-----------------------------------------------------------------------|----------------|------------|------------|
| | £'000 | £'000 | £'000 |
| Revenue | 3,726 | 3,102 | 6,743 |
| Cost of sales | (1,662) | (1,246) | (2,583) |
| Gross profit | 2,064 | 1,856 | 4,160 |
| Distribution costs | (28) | (21) | (46) |
| Administrative expenses | (1,763) | (1,721) | (3,676) |
| Operating profit before share-based payment provision | 310 | 135 | 490 |
| Share-based payment provision included in administrative expenses | (37) | (21) | (52) |
| Operating profit | 273 | 114 | 438 |
| Finance income | 39 | - | - |
| Finance costs | (5) | (10) | (16) |
| Profit before income tax | 307 | 104 | 422 |
| Income tax (charge)/credit | Note 6 (36) | 60 | 136 |
| Profit for the period attributable to the owners of the parent | 271 | 164 | 558 |

Profit per ordinary share (pence) attributable to owners of the parent during the period:

| | Pence per share | Pence per share | Pence per share |
|------------------------------------|-----------------------|--------------------|-----------------------|
| Earnings per share (note 7) | | | |
| Basic | 3.20p | 1.93p | 6.58p |
| Diluted | 3.18p | n/a | n/a |

Unaudited consolidated statement of changes in equity for the six months ended 30 June 2023

| | Share capital £'000 | Share premium account £'000 | Share based payment reserves £'000 | Retained earnings £'000 | Total equity £'000 |
|----------------------------------------------|---------------------------|--------------------------------------|---------------------------------------------|-------------------------------|-----------------------|
| For the six months ended 30 June 2023 | | | | | |
| Balance at 1 January 2023 | 424 | 1,119 | 58 | 1,332 | 2,933 |
| Capital reduction | - | (1,119) | - | 1,119 | - |
| Cost of capital reduction | - | - | - | (30) | (30) |
| Profit for the period | - | - | 37 | 271 | 308 |
| Balance at 30 June 2023 | 424 | - | 95 | 2,692 | 3,211 |

| | | | | | |
|----------------------------------------------|-----|-------|----|-----|-------|
| For the six months ended 30 June 2022 | | | | | |
| Balance at 1 January 2022 | 424 | 1,119 | 6 | 776 | 2,325 |
| Profit for the period | - | - | 21 | 164 | 185 |
| Balance at 30 June 2022 | 424 | 1,119 | 27 | 940 | 2,510 |

| | | | | | |
|--------------------------------------------|-----|-------|----|-------|-------|
| For the year ended 31 December 2022 | | | | | |
| Balance at 1 January 2022 | 424 | 1,119 | 6 | 776 | 2,325 |
| Cost of capital reduction in subsidiary | - | - | - | (2) | (2) |
| Profit for the year | - | - | 52 | 558 | 610 |
| Balance at 31 December 2022 | 424 | 1,119 | 58 | 1,332 | 2,933 |

Unaudited consolidated statement of financial position at 30 June 2023

| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
|--------------------------------|-----------------|-----------------|---------------------|
| | £'000 | £'000 | £'000 |
| Non-current assets | | | |
| Intangible assets | 1,093 | 1,143 | 1,087 |
| Property, plant, and equipment | 76 | 113 | 94 |
| Right of use asset | 217 | 320 | 299 |
| Deferred tax assets | 46 | 81 | 46 |
| | 1,432 | 1,657 | 1,526 |
| Current assets | | | |
| Inventories | 1,063 | 815 | 967 |
| Trade and other receivables | 1,057 | 1,410 | 975 |
| Current tax recoverable | 18 | 226 | 18 |
| Cash and cash equivalents | 2,810 | 2,831 | 4,461 |
| | 4,948 | 5,282 | 6,421 |
| Total assets | 6,380 | 6,939 | 7,947 |
| Current liabilities | | | |
| Trade and other payables | 1,121 | 1,091 | 1,491 |
| Contract liabilities | 1,532 | 1,363 | 2,022 |
| Borrowings | 49 | 1,229 | 985 |
| Lease liabilities | 136 | 158 | 157 |
| | 2,838 | 3,841 | 4,655 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 116 | 251 | 80 |
| Contract liabilities | 144 | 174 | 144 |
| Lease liabilities | 71 | 163 | 135 |
| | 331 | 588 | 359 |
| Total liabilities | 3,169 | 4,429 | 5,014 |

**Unaudited consolidated statement of financial position
at 30 June 2023 (continued)**

| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
|------------------------------------------------------------------|-------------------------|-----------------|---------------------|
| | £'000 | £'000 | £'000 |
| Capital and reserves attributable to owners of the parent | | | |
| Share capital | 424 | 424 | 424 |
| Share premium account | - | 1,119 | 1,119 |
| Share-based payment reserve | 95 | 27 | 58 |
| Profit and loss account | 2,692 | 940 | 1,332 |
| Total equity | 3,211 | 2,510 | 2,933 |
| Total equity and liabilities | 6,380 | 6,939 | 7,947 |

Unaudited consolidated cash flow statement for the six months ended 30 June 2023

| | 30-Jun-23 | 30-Jun-22 | 31-Dec-22 |
|----------------------------------------------------------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | |
| Operating profit | 273 | 114 | 438 |
| Depreciation | 108 | 110 | 218 |
| Amortisation | 276 | 336 | 677 |
| Share-based payment provision | 37 | 21 | 52 |
| Movement in: | | | |
| Inventories | (96) | 50 | (92) |
| Trade and other receivables | (82) | (339) | 86 |
| Trade and other payables | (860) | (638) | 390 |
| Cash (used in)/ generated from operating activities | (344) | (346) | 1,769 |
| Interest received | 39 | - | - |
| Interest paid | (5) | (10) | (16) |
| Corporation tax received | - | - | 148 |
| Net cash (used in)/ generated from operating activities | (310) | (356) | 1,901 |
| Cash flows from investing activities | | | |
| Purchase of intangible assets | (283) | (281) | (565) |
| Purchase of property, plant, and equipment | (6) | (50) | (60) |
| Net cash used in investing activities | (289) | (331) | (625) |
| Cash flows from financing activities | | | |
| Cost of capital reduction | (30) | - | (2) |
| Principal elements of lease payments | (85) | (91) | (178) |
| Business loan repayments | - | (15) | (135) |
| Net cash (used in)/ generated from financing activities | (115) | (106) | (315) |
| Net (decrease)/ increase in cash and cash equivalents | (714) | (793) | 961 |
| Cash and cash equivalents at start of the year | 3,475 | 2,515 | 2,515 |
| Cash and cash equivalents at end of the year | 2,761 | 1,722 | 3,476 |
| Cash and cash equivalents | | | |
| Cash at bank and in hand | 2,810 | 2,831 | 4,461 |
| Less: bank overdraft (included within borrowings) | (49) | (1,109) | (985) |
| Net cash | 2,761 | 1,722 | 3,476 |

Notes to the interim report and accounts for the six months ended 30 June 2023

1. General information

Touchstar plc is a public company limited by share capital incorporated and domiciled in the United Kingdom. The Company has its listing on AIM. The address of its registered office is 1 George Square, Glasgow, G2 1AL.

2. Status of interim report and accounts

The financial information comprises the consolidated interim balance sheet as of 30 June 2023, 30 June 2022 and the year ended 31 December 2022 along with related consolidated interim statements of income and cash flows for the six months to 30 June 2023 and 30 June 2022 and year ended 31 December 2022 of Touchstar plc (hereinafter referred to as 'financial information').

This financial information for the half year ended 30 June 2023 has neither been audited nor reviewed and does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. This financial information was approved by the Board on 6 September 2023.

The figures for the year ended 31 December 2022 have been extracted from the audited annual report and accounts that have been delivered to the Registrar of Companies. The auditors, Haysmacintyre LLP, reported on those accounts under section 495 of the Companies Act 2006. Their report was unqualified and did not contain a statement under section 498 of that Act.

3. Basis of preparation

The interim report and accounts have been prepared, in accordance with IAS 34 Interim Financial Reporting, using accounting policies to be applied in the annual report and accounts for the year ending 31 December 2023. These are consistent with those included in the previously published annual report and accounts for the year ended 31 December 2022, which have been prepared in accordance with IFRS as adopted by the European Union.

Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, and for this reason they have adopted the going concern basis of preparation in the consolidated interim financial statements. The financial statements may be obtained from Touchstar plc, 7 Commerce Way, Trafford Park, Manchester, M17 1HW or online at www.touchstarplc.com.

4. Critical accounting estimates and assumptions

The Group and Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Development expenditure

The Group recognises costs incurred on development projects as an intangible asset which satisfies the requirements of IAS 38. The calculation of the costs incurred includes the percentage of time spent by certain employees on the development project. The decision whether to capitalise and how to determine the period of economic benefit of a development project requires an assessment of the commercial viability of the project and the prospect of selling the project to new or existing customers.

(b) Impairment of intangibles

Judgement is required in determining both the useful economic life of the asset along with any impairment, notably intangible software development costs. Useful economic life is based on the life expectancy of software licences and recoverable amounts are based on a calculation of expected future cash flows, which require assumptions and estimates of future performance to be made. Cash flows are discounted to their present value using pre-tax discount rates based on the Directors market assessment of risks specific to the asset.

(c) Stock provisions

Judgement is required in relation to the appropriate provision to be made for the write down of slow moving or obsolete inventory. Such provisions are made based on the assessment of the Group's prospective sale of inventories and their net realisable value, which are subject to estimation uncertainty.

(d) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available.

After due consideration of the assumptions detailed above, no credit loss provision was considered necessary for the period ended 30 June 2023 (30 June 2022: nil) (year ended 31 December 2022: nil).

5 Share-based employee remuneration

The Touchstar plc EMI Share Option Plan (Plan) was approved by the shareholders at the Annual 2021 AGM on 23 June 2021. It is a share-based payment scheme for employee remuneration which will be settled in equity.

The Plan is part of the remuneration package for Group employees as selected by the Group's Remuneration Committee. Options under this Plan will vest if performance conditions are met pertaining to profit after tax and recurring revenue growth as defined in the Plan. Participants in this Plan must be employed until the end of the agreed vesting period unless deemed as 'good employees' by the Group's Remuneration Committee on leaving. Upon vesting, each option allows the holder to purchase each allocated share at the market price determined at the grant date.

The number of options granted during the period and outstanding at 30 June 2023:

| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
|---------------------------|---------------------|--------------|------------------|
| | Number | Number | Number |
| At 1 January | 422,000 | 211,000 | 211,000 |
| Granted during the period | - | - | 211,000 |
| At 30 June | 422,000 | 211,000 | 422,000 |

Of which:

| | | | |
|----------|----------------|---------|---------|
| Vested | 105,500 | - | - |
| Unvested | 316,500 | 105,500 | 422,000 |

6 Income tax credit

| | 30 June 2023 | 30 June 2022 | 31 December 2022 |
|-----------------------------------|---------------------|--------------|------------------|
| | £'000 | £'000 | £'000 |
| Corporation tax | | | |
| Current tax | - | (60) | - |
| Deferred tax charge released | 36 | - | (136) |
| Total current tax charge/(credit) | 36 | (60) | (136) |

The deferred tax charge release for period ended 30 June 2023 relates to brought forward losses surrendered against the current period tax charge. The tax credit for period ended 30 June 2022 related to losses expected to have been surrendered through R&D tax credit. For the year ended 31 December 2022 available tax losses were carried forward within deferred tax rather than surrendering through R&D tax credit.

7 Earnings per share

| | 30 June 2023 | 30 June 2022 | 31 December |
|------------------------------------------------------------------------------------------|---------------------|--------------|-------------|
| | £'000 | £'000 | 2022 |
| | | | £'000 |
| Profit after tax attributable to the owners of Touchstar plc | 271,000 | 164,000 | 558,000 |
| Weighted average number of shares used in calculating basic earnings per share | 8,475,077 | 8,475,077 | 8,475,077 |
| Number of considered dilutive shares | 44,758 | nil | nil |
| Weighted average number of shares used in calculating dilutive earnings per share | 8,519,835 | 8,475,077 | 8,475,077 |

Earnings per ordinary share (pence) attributable to owners of the parent during the period:

| Earnings per share | 30 June 2023 | 30 June 2022 | 31 December 2022 |
|---------------------------|---------------------|--------------|------------------|
| Basic | 3.20p | 1.93p | 6.58p |
| Diluted | 3.18p | n/a | n/a |

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financial costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

During the year 31 December 2022 the Group issued 211,000 (2021: 211,000) options with an exercise price of 77.5p (2021: 85p).