



**Smoove plc**  
**(The "Group" or the "Company" or the "Group")**

**Half Yearly Report**

Smoove plc (AIM: SMV), the customer focused technology and services business aiming to revolutionise home moving and ownership, announces its interim results for the six months ended 30 September 2022 (the "Period").

**Financial Highlights**

- Revenue increased by 4% to £10.6m (H1 2021: £10.2m)
- Gross margin of 38.4% (H1 2021: 40.0%) reflecting changes in business mix
- Underlying Loss before Tax<sup>1</sup> of £(3.0)m (H1 2021: £(1.5)m) reflecting increased investment in eConveyancer and new product areas
- EBITDA Loss of £(2.6m) (H1 2021: £(1.0)m)
- Adjusted basic loss per share<sup>1</sup> of (4.6)p (H1 2021: (2.4)p)
- Cash balance of £17.0m as of 30 September 2022 with no debt

<sup>1</sup> Before exceptional costs and impairments.

**Operating Highlights**

- Success in developing eConveyancer remortgage segment - offsetting much of the market decline in the number of housing transactions
- Significant progress in improving the eConveyancer user interface, part of a pipeline of measures to increase conversion and instruction volumes including the development of improved APIs
- Launch of Smoove Start, the Group's product for estate agents. 30 branches across 18 firms signed up, exceeding management expectations
- Contracts agreed with nine Consultant Conveyancing Lawyers ("CCLs") after the Period end enabling the launch of Smoove Complete
- The Group undertook a number of cost reduction initiatives to align cost base with product development and growth strategy
- Conveyancing instructions for the Period grew by 40% to 39,839 (H1 2021 28,497)
- Conveyancing completions for the Period increased by 42% to 26,354 (H1 2021 18,600)
  - Volume growth was concentrated in lower yielding remortgage cases (+167% year-on-year)
- Re-contracting with Lloyds Banking Group for the provision of conveyancing services for a further two years
- Full integration of DigitalMove into our conveyancing offering, with DigitalMove now having successfully enabled over 100,000 transactions
- Proposed tender offer to return up to £5m to shareholders to be launched as soon as practicable

***Jesper With-Fogstrup, CEO of Smoove plc, commented:***

"We have made significant progress in delivering key aspects of our strategy in the last six months.

"Our market leading conveyancing offer, eConveyancer, has performed well despite the volatility in the property sector in recent months as we have capitalised on increased remortgage activity. We have at

the same time invested in the development of the user interface which will create a more immersive and responsive experience for our partners with a view to increasing conversion and instructions.

“The roll out of Smoove Start, our digital solution for estate agents, has been particularly pleasing given the initial results and the important position they play in influencing decisions in the home ownership process. With Smoove Complete we have an exciting opportunity to disrupt the conveyancing industry using our technical and conveyancing expertise to create a new model that benefits everyone.

“The economic climate has made trading conditions difficult, but we have been able to mitigate some of the impacts with our strong position in the remortgage sector. Confidence in our products and services was reinforced as we secured the re-contracting with Lloyds Banking Group for the provision of conveyancing services for a further two years.

“The progress we have made both in eConveyancer and the new businesses of Smoove Start and Smoove Complete shows that we are creating touchpoints across all aspects of homeownership while diversifying our revenue streams. I am confident that we have the right strategy and plan in place to build on the successes of the first six months of this financial year.”

#### **Capital Markets Day, Tuesday 22 November**

The Company confirms that it will be hosting a Capital Markets Day on the afternoon of Tuesday 22 November 2022 at 2.30pm.

The event will be an opportunity to learn more about Smoove and its product portfolio. The team will also provide commentary on market trends and the broader opportunity.

Analysts and institutional investors are welcome to attend the event in the City of London and should contact [smoove@walbrookpr.com](mailto:smoove@walbrookpr.com) in order to register their interest.

#### **Retail Investor Presentation**

Management will be providing the same presentation and hosting a remote investor Q&A session for retail investors in due course. Investors can sign up for free and register to meet SMV via the following link: <https://www.investormeetcompany.com/smoove-plc/register-investor>

Investors who have already registered on the Investor Meet Company platform to meet the Company will automatically be invited.

#### **Enquiries:**

##### **Smoove plc**

Jesper With-Fogstrup, Chief Executive Officer  
Michael Cress, Chief Financial Officer

##### **Via Walbrook PR**

##### **Panmure Gordon (UK) Limited (NOMAD and Broker)**

Dominic Morley  
Erik Anderson

**Tel: +44 (0)20 7886 2500**

**Walbrook PR Limited**

Tom Cooper

Nick Rome

**smoove@walbrookpr.com or Tel: 020 7933 8780**

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

**About Smoove:**

Smoove's (hellosmoove.com) mission is to revolutionise the home moving and owning process for everyone involved. The Company's cornerstone cloud-based platforms provide significant leverage for growth with strong, established client bases and routes to market - including mortgage brokers, conveyancers, estate agents and lenders.

eConveyancer (<https://econveyancer.com/>) is one of the leading distribution channels for conveyancing in the UK, bringing consumers and legal professionals together via comparison services, which provide solutions for home movers and the remortgage market.

The Company's existing platforms have been designed with a view to adding services, and increasing reach. The Board believes that the Company is well placed to create attractive returns as functionality increases.

**CHIEF EXECUTIVE OFFICER'S REPORT**

The last six months has been a period of delivering key initiatives of our strategy including notable progress across our major business segments: eConveyancer, Smoove Start and Smoove Complete.

Our core offering, eConveyancer, which brings consumers and legal professionals together via a comparison service, has delivered stable revenue with a significant change in mix. We have positioned eConveyancer to capture a significant share of remortgage work with completions in this area up 167% year-on-year during the Period ending 30 September 2022. This progress in the remortgage segment has enabled the Group to offset much of the year-on-year decline in transactional cases, part of which is attributable to the expiry of the stamp duty holiday in the first half of last year.

We have made significant progress in improving the eConveyancer user interface. This includes using modern design principles to remove blockers and creating a more responsive offer. We plan to roll this out gradually over the coming months and expect it to increase conversion and instruction volumes. We aim to increase instruction volumes further by developing new APIs which will allow for greater integration and easier workflow between our platform and those of our introducers.

We have also fully integrated DigitalMove into the proposition we offer our extensive, and growing panel of introducers and conveyancers, and have recently reached a key milestone with 100,000 completed DigitalMove cases. We continue to receive extremely positive feedback from those who use the DigitalMove feature with over 70% of users scoring it very good or good and many conveyancing clients citing several efficiency savings which make their service more effective.

Confidence in our market leading conveyancing offer was reinforced with a number of major contractual wins including re-contracting with Lloyds Banking Group for the provision of services for a further two years.

Following a successful pilot, we launched the full market roll out of our digital onboarding platform, Smoove Start, which helps estate agents and their clients streamline and speed up administrative tasks involved in a property transaction. Smoove Start collates all key tasks under one roof when onboarding a new buyer or seller, including ID and AML checks, EPCs and title deeds. Not only does this avoid the administration burden of multiple systems and chasing clients, but it also ensures that a buyer is better informed about a property at the very outset. As well as bringing improved transparency and efficiency to the process, Smoove Start provides tools to agents to aid their compliance with the increased regulatory requirements they face.

I am pleased that we have exceeded our initial targets for the number of estate agent branches signing up to the service, with 30 branches contracted across 18 estate agency firms. Smoove Start is also beginning to act as an Introducer channel to eConveyancer for conveyancing services with estate agents being ideally placed to recommend a conveyancer to consumers and consumers seeing estate agents as a trusted source for that referral.

In the last six months we have carried out extensive research on how best to use our unique assets and expertise to radically change the conveyancing experience for consumers, conveyancers and other stakeholders. Smoove Complete is a co-working platform that is designed to bring together self-employed conveyancers who are aligned to our vision of transforming and improving the home moving journey for everyone. Through our acquisition of Amity Law, we are able to provide a framework for them to operate within an optimised digital and legal environment while allowing us to build a community of Conveyancing Consultant Lawyers ("CCLs"). We are looking to marry our digital platforms with the growing trend post-pandemic for more flexible ways of working to create a model that works across the industry. We welcomed our first CCL to Smoove Complete after the Period end and have a contracted pipeline of eight additional conveyancers who will join over the coming months. We will be looking to build scale subject to generating further proof points on the return on investment that the model could deliver.

### **Chief Financial Officer's Report**

Compared with the comparable prior year period, the six month Period ending 30 September 2022 was characterised by strongly growing transaction volumes coupled with broadly flat revenue and gross profit. The combination of these two trends arises from a pronounced shift in mix towards remortgage cases which are less lucrative for the Group than transactional (purchase and sale) work. Revenue for the Period increased by 4% year-on-year, or 2% excluding the effect of the acquisition of Amity Law Limited, which completed in October of last year. Gross profit was flat year-on-year. Smoove Start, the Group's product for estate agents launched during the Period. We are pleased with the levels of branch acquisition within Smoove Start, but because the product launched late in the Period, the effect on the Group's results is negligible.

The loss before tax for the Period has widened from £1.5 million for the six months to 30 September 2021 to £3.0 million because of higher administrative expenses. These higher costs reflect investments in both the core eConveyancer business and in new product areas such as Smoove Start. At the announcement of full year results on 22 August 2022 the Group announced that it was undertaking a series of cost

reduction initiatives. As a result, administrative expenses peaked in Q1 of the current financial year and are expected to decline continuously into the first half of the next financial year.

### Key performance indicators

Completions for the Period increased by 42% year-on-year. The divergence between this strong growth and stable revenue occurs because volume growth was concentrated in lower yielding remortgage cases (which increased by 167% year-on-year) rather than in more lucrative transactional work (which declined by 22% year-on-year). The year-on-year comparison for transactional cases is distorted by the stamp duty holiday and associated taper, both of which fell entirely within the first half of last year. Transactional instructions are less distorted by the stamp duty holiday and were down by a more modest 13% year-on-year. The sheer scale of the increase in volumes highlights the depth and dynamism of Group's relationships with introducers, however the shift in mix towards remortgages has also driven a lower gross margin as percentage of revenue during the Period. The Board anticipates that these relationships will deliver a greater profit return in future when the market environment shifts back towards transactional cases.

### INSTRUCTIONS AND COMPLETIONS BY SEGMENT

	6 months to 30 Sep 2022	6 months to 30 Sep 2021	Year to 31 Mar 2022
<b>Instructions</b>			
Transactional	16,517	18,888	35,917
Remortgage	<u>23,322</u>	<u>9,609</u>	<u>30,477</u>
Total	39,839	28,497	66,394
<b>Completions</b>			
Transactional	9,568	12,323	21,837
Remortgage	<u>16,786</u>	<u>6,277</u>	<u>15,128</u>
Total	26,354	18,600	36,965

### Non-IFRS Profit Measures

The table below calculates two non-IFRS measures of profitability, Underlying loss before taxation and EBITDA. These additional measures have the benefit of excluding major non-cash items, such as impairment charges. In addition, the Board believe that EBITDA is a metric that is commonly used by the Group's investors. Profit before taxation and EBITDA are closely correlated, which in part, reflects modest levels of capitalised software development cost. During the Period Group's capitalised software development expenditure was £309,000 (H1 2021: £132,000) which equates to 2.9% of revenue (H1 2021: 1.3%).

	6 months to 30 Sep 2022	6 months to 30 Sep 2021	Year to 31 Mar 2022
<b>Calculation of Non-IFRS profit measures</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Loss before taxation (PBT)</b>	<b>(2,998)</b>	<b>(1,549)</b>	<b>(5,365)</b>
Impairment of investment	-	-	503

<b>Underlying loss before taxation (Underlying PBT)</b>	<b>(2,998)</b>	<b>(1,549)</b>	<b>(4,862)</b>
Finance income	(69)	(10)	(25)
Finance costs	14	16	102
Amortisation	276	374	683
Depreciation	144	165	329
<b>Underlying EBITDA</b>	<b>(2,633)</b>	<b>(1,004)</b>	<b>(3,773)</b>

## Cash

The Group held significant cash reserves of £17.0 million at the Period end. At the presentation of financial results on 22 August 2022 the Group announced that it intended a return of capital to shareholders of up to £5 million via a tender offer. The necessary shareholder resolutions authorising the tender offer were approved at the Group's Annual General Meeting on 27 September. The Board remains committed to executing the tender offer and believes that the return of value achieves an appropriate balance between an immediate return to shareholders and investments in new products and business improvements.

## Outlook

Signs of a slowdown in the property market are starting to emerge, as banks take a more cautious approach to lending and potential home buyers delay purchases in the face of much higher borrowing costs and the additional affordability challenges presented by the cost-of-living crisis. Property portals are already reporting a downward shift in activity and prices following two years of record high asking prices as a result of the stamp duty holiday and changing consumer behaviour during the pandemic.

Although increases in the Bank of England's base rate had been anticipated for some time, the government's fiscal event on 23 September 2022 led to a rapid increase in mortgage rates and significant instability in the mortgage market as products were rapidly withdrawn and repriced. As a result, the outlook for house prices and transaction levels is less certain than before.

We are undertaking a number of measures to position the Group for this climate of increased economic uncertainty. Our investments in eConveyancer aim to further expand and diversify our base of introducers and increase their productivity in providing instructions. We will build on our success in developing the remortgage segment by taking steps to increase yields per conveyancing case. At the same time, we are continuing our drive to lower the cost base as indicated during the announcement of full year results on 22 August 2022. Our new propositions, Smoove Start and Smoove Complete, are performing ahead of our expectations and have very exciting prospects. The Board believes that these new propositions will make the Group more resilient over the long term by diversifying sources of revenue. Our future investments in these businesses will be subject to continued validation of market demand for the propositions.

The progress we have made both in eConveyancer and the new businesses of Smoove Start and Smoove Complete shows that we are creating touchpoints across all aspects of homeownership while diversifying our revenue streams. I am confident that we have the right strategy and plan in place to build on the successes of the first six months of this financial year.

**Jesper With-Fogstrup**  
**CEO**

**UNAUDITED INCOME STATEMENT**  
**Six months to 30 September 2022**

	Note	6 months to 30 Sep 2022 Unaudited £'000s	6 months to 30 Sep 2021 Unaudited £'000s	Year ended 31 Mar 2022 Audited £'000s
<b>Revenue</b>		<b>10,649</b>	<b>10,223</b>	<b>19,168</b>
Cost of sales		(6,565)	(6,129)	(11,407)
<b>Gross profit</b>		<b>4,084</b>	<b>4,094</b>	<b>7,761</b>
Administrative expenses		(7,184)	(5,673)	(12,577)
<b>Operating loss</b>		<b>(3,100)</b>	<b>(1,579)</b>	<b>(4,816)</b>
Finance income		69	10	25
Finance costs		(14)	(16)	(102)
Share of results of associates		47	36	31
Impairment of associate				(503)
<b>Loss before tax</b>		<b>(2,998)</b>	<b>(1,549)</b>	<b>(5,365)</b>
Tax expense		13	19	248
<b>Total loss for the financial period</b>		<b>(2,985)</b>	<b>(1,530)</b>	<b>(5,117)</b>
<b>Loss per share</b>				
Basic loss per share (£)	<b>3</b>	(0.0460)	(0.0236)	(0.0789)
Diluted loss per share (£)	<b>3</b>	(0.0460)	(0.0236)	(0.0789)



**UNAUDITED BALANCE SHEET**  
**At 30 September 2022**

	Note	30 Sep 2022 Unaudited £'000s	30 Sep 2021 Unaudited £'000s	31 Mar 2022 Audited £'000s
<b>NON-CURRENT ASSETS</b>				
Intangible assets		1,466	1,557	1,432
Goodwill		4,745	4,524	4,745
Investment in associates		202	663	155
Property, plant and equipment		1,470	1,688	1,572
Long-term receivables		100	100	100
Prepayments		99	92	94
		<u>8,082</u>	<u>8,624</u>	<u>8,098</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		1,648	1,478	1,545
Current tax receivable		291	249	291
Cash and cash equivalents		16,975	23,060	20,027
		<u>18,914</u>	<u>24,787</u>	<u>21,863</u>
<b>TOTAL ASSETS</b>		<u>26,996</u>	<u>33,411</u>	<u>29,961</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	4	259	259	259
EBT reserve		(298)	(375)	(298)
Share premium		4,609	4,609	4,609
Capital redemption reserve		113	113	113
Share based payment reserve		532	468	474
Retained earnings		16,660	23,354	19,645
<b>TOTAL EQUITY</b>		<u>21,875</u>	<u>28,428</u>	<u>24,802</u>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities		936	1,099	1,012
Deferred taxation		66	260	79
		<u>1,002</u>	<u>1,359</u>	<u>1,091</u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		3,967	3,460	3,918
Lease liabilities		152	164	150
		<u>4,119</u>	<u>3,624</u>	<u>4,068</u>
<b>TOTAL LIABILITIES</b>		<u>5,121</u>	<u>4,983</u>	<u>5,159</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>26,996</u>	<u>33,411</u>	<u>29,961</u>

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**Six months to 30 September 2022**

	Share capital £'000s	EBT reserve £'000s	Share premium £'000s	Capital redemption reserve £'000s	Share- based payment reserve £'000s	Retained earnings £'000s	Total equity £'000s
<b>For the period ended 30 September 2022</b>							
<b>At 1 April 2022</b>	259	(298)	4,609	113	474	19,645	24,802
Loss for the period	-	-	-	-	-	(2,985)	(2,985)
<b>Total comprehensive loss</b>	-	-	-	-	-	(2,985)	(2,985)
Share-based payments	-	-	-	-	58	-	58
Total transactions with owners	-	-	-	-	58	-	58
<b>At 30 September 2022</b>	259	(298)	4,609	113	532	16,660	21,875

**For the period ended 30  
September 2021**

<b>At 1 April 2021</b>	259	(397)	4,609	113	416	24,913	29,915
Loss for the period	-	-	-	-	-	(1,530)	(1,530)
<b>Total comprehensive loss</b>	-	-	-	-	-	(1,530)	(1,530)
Purchase of shares by EBT	-	(48)	-	-	-	-	(48)
Exercise of options	-	70	-	-	(12)	(29)	29
Share-based payments	-	-	-	-	62	-	62
Total transactions with owners	-	22	-	-	50	(29)	43
<b>At 30 September 2021</b>	259	(375)	4,609	113	468	23,354	28,428

Share capital £'000s	EBT reserve £'000s	Share premium £'000s	Capital redemption reserve £'000s	Share- based payment reserve £'000s	Retained earnings £'000s	Total equity £'000s
----------------------------	--------------------------	----------------------------	--------------------------------------------	-------------------------------------------------	--------------------------------	---------------------------

**For the year ended 31  
March 2022**

<b>At 1 April 2021</b>	259	(397)	4,609	113	418	24,913	29,915
Loss for the period	-	-	-	-	-	(5,117)	(5,117)
<b>Total comprehensive loss</b>	-	-	-	-	-	(5,117)	(5,117)
Purchase of shares by EBT	-	(345)	-	-	-	-	(345)
Exercise of options	-	444	-	-	(52)	(151)	241
Share-based payments	-	-	-	-	108	-	108
Total transactions with owners	-	99	-	-	56	(151)	4
<b>At 31 March 2022</b>	259	(298)	4,609	113	474	19,645	24,802

**UNAUDITED STATEMENT OF CASH FLOWS**  
**Six months to 30 September 2022**

	6 months to 30 Sep 2022 Unaudited £'000s	6 months to 30 Sep 2021 Unaudited £'000s	Year ended 31 Mar 2022 Audited £'000s
<b>Cash flows from operating activities</b>			
Loss before taxation	(2,998)	(1,549)	(5,365)
Finance income	(69)	(10)	(25)
Finance costs	14	16	102
Loss on disposal of plant and equipment	-	-	63
Share of profit of associate	(47)	(36)	(31)
Impairment of investment in associate	-	-	503
Amortisation	276	374	683
Depreciation	144	165	329
Share-based payments	58	62	108
Tax paid	-	-	(23)
	<u>(2,622)</u>	<u>(978)</u>	<u>(3,656)</u>
<b>Changes in working capital</b>			
(Increase) / decrease in trade and other receivables	(303)	(7)	14
Increase in trade and other payables	<u>244</u>	<u>211</u>	<u>413</u>
<b>Net cash used in operating activities</b>	<u>(2,681)</u>	<u>(774)</u>	<u>(3,229)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible software assets	(309)	(132)	(316)
Purchase of property, plant and equipment	(42)	(22)	(97)
Acquisition of subsidiary (net of cash acquired)	-	-	(135)
Interest received	<u>69</u>	<u>7</u>	<u>25</u>
<b>Net cash used in investing activities</b>	<u>(282)</u>	<u>(147)</u>	<u>(523)</u>
<b>Cash flows from financing activities</b>			
Lease payments	(89)	(76)	(192)
Repayment of loan to associate	-	100	100
Share transactions by EBT	<u>-</u>	<u>(19)</u>	<u>(105)</u>
<b>Net cash (used in) / generated from financing activities</b>	<u>(89)</u>	<u>5</u>	<u>(197)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(3,052)</u>	<u>(916)</u>	<u>(3,949)</u>
Cash and cash equivalents at beginning of period	<u>20,027</u>	<u>23,976</u>	<u>23,976</u>
<b>Cash and cash equivalents at end of period</b>	<u>16,975</u>	<u>23,060</u>	<u>20,027</u>

## **Notes to the financial information**

### **Six months to 30 September 2021**

#### **1. GENERAL**

The interim financial information for the six months to 30 September 2022 is unaudited and was approved by the Directors of the Company on 9 November 2022. The condensed financial information set out above does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Company's operations are subject to some seasonality and also some cyclicalities both in line with the housing market.

No dividend has been paid in the six months ended 30 September 2022 (six months to 30 September 2021: £nil).

#### **2. ACCOUNTING POLICIES**

The interim financial information in this report has been prepared on the basis of the accounting policies set out in the Group's most recent annual financial statements for the year ended 31 March 2022.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee and there is an on-going process of review and endorsement by the UK Endorsement Board since January 2021 (previously the European Commission).

The financial information has been prepared using accounting policies that the Directors expect to be applicable as at 31 March 2023. IAS 34 has not been applied in the preparation of these interim financial statements.

The Directors have adopted the going concern basis in preparing the financial information. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the foreseeable future. In making this assessment the Directors have considered a range of possible scenarios concerning the housing market and background macroeconomic conditions. The Directors note the substantial cash balance that the group holds and, while the group is currently making a loss as planned to support product development, they assess that the cash balance is sufficient to support these losses until the group returns to profitability.

The condensed financial information for the period ended 31 March 2022 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006.

### 3. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

#### Basic and diluted loss per share

	6 months to 30 Sep 2022 £	6 months to 30 Sep 2021 £	Year to 31 Mar 2022 £
Total basic loss per share	<u>(0.0460)</u>	<u>(0.0236)</u>	<u>(0.0789)</u>
Total diluted loss per share	<u>(0.0460)</u>	<u>(0.0236)</u>	<u>(0.0789)</u>

The loss used in the calculation of earnings per share are as follows:

	6 months to 30 Sep 2022 £'000s	6 months to 30 Sep 2020 £'000s	Year to 31 Mar 2022 £'000s
Loss used in the calculation of total basic and diluted loss per share	<u>(2,985)</u>	<u>(1,536)</u>	<u>(5,117)</u>

The weighted average number of ordinary shares used in all of the calculations of loss per share were as follows:

Number of shares	6 months to 30 Sep 2022 Number	6 months to 30 Sep 2021 Number	Year to 31 Mar 2022 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>64,871,276</u>	<u>64,871,276</u>	<u>64,871,276</u>

Due to the losses incurred during the reporting periods, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 3,280,258 (30 Sep 2021: 4,454,606) share options outstanding at the reporting date that could potentially dilute basic earnings per share in the future.

### 4. SHARE CAPITAL

#### a) Share Capital

The Company has one class of Ordinary share with 0.4p nominal value per share which carries no right to fixed income nor has any preferences or restrictions attached.

No new shares were issued in the current or prior periods.

**Issued and fully paid:**

	30 Sep 2022 £'000s	30 Sep 2021 £'000s	31 Mar 2022 £'000s
Ordinary shares of 0.40p each	<u>259</u>	<u>259</u>	<u>259</u>
	30 Sep 2022 Number	30 Sep 2021 Number	31 Mar 2022 Number
At the beginning and end of the period	<u>64,871,276</u>	<u>64,871,276</u>	<u>64,871,276</u>

**b) Share based payments**

Options in issue vest in 3 equal tranches, three, four, and five years or in one tranche three year after date of grant. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

	Number of options	Weighted average exercise price £
Outstanding at 1 April 2022	3,656,960	0.79
Lapsed	(376,702)	0.64
	<u>3,280,258</u>	<u>0.81</u>
Outstanding at 30 September 2022		