14 June 2023

AssetCo plc

("AssetCo" or the "Company")

2023 Half-year Report

for the six months ended 31 March 2023

Highlights

- Acquisition of Ocean Dial Asset Management announced, subject to regulatory approvals, continuing the expansion of AssetCo's listed equity platform:
    - Brings emerging markets equity asset management capability in the fast-growing Indian economy (AuM c.£139m at end May)
    - Adds a third closed end fund client to the Group
    - Earnings enhancing from outset (based on run rate revenues of c.£1.6m pa as at end May)
- Steady progress made in underlying businesses:
    - Improvements in assets under management and operating margins for the active equities businesses despite industry outflows
    - Net inflows of £28m for Saracen Global Income and Growth Fund making the Group the 8th largest net asset gatherer out of 36 groups in the Global Income sector
    - Net inflows of $21m at Rize ETF over the period
    - Improvement in profit, cashflows and balance sheet strength at Parmenion which also completed its first acquisition in the period.
    - Further cost reductions in active equities business: over £1m identified in addition to those underway at year end, to deliver annualised cost reductions of over £16m in aggregate since announcement of the acquisition of River & Mercantile in January 2022
- Assets under management (AuM) as at 31 March 2023 were £13.8 bn (31 March 2022: £9.9bn), including AuM for Parmenion (£10.6bn)
- 86% of active equity mutual funds AuM in 1st or 2nd quartile in investment performance terms, over 3 years when compared to competitor funds in relevant Investment Association sectors

Underlying operational loss for the six months ended 31 March 2023 £4.1m before exceptionals and other one-off costs, reflecting the introduction of both River & Mercantile and SVM businesses since the previous half year report. Overall loss £13.8m (31 March 2022: loss of £2.6m).

Campbell Fleming, Chief Executive Officer of AssetCo, commented:

"The six months to end March 2023 has been one of the toughest on record for active equities businesses with a backdrop of relentless outflows across the industry. Given that extremely challenging operating environment, I am gratified to report a modest uptick in both assets under management and, importantly, operating margin for our active equities businesses. At Rize, the thematic focus of that ETF business has been out of favour in the market but it is pleasing to report healthy net inflows over the reporting period. Parmenion has gone from strength to strength over the period.

We were also delighted, in March, to announce the acquisition of Ocean Dial Asset Management which is expected to enhance earnings from the outset and provides welcome and valuable access to the long-term potential that India offers. We see opportunities to add value by bringing that business

together with the other active equity businesses we are combining under the River and Mercantile brand.

The further cost savings we have identified, when taken together with work done to date and our continued strong investment performance showing as a Group, make us well placed to benefit from improvement in investor sentiment. The traction achieved for the Saracen Global Income and Growth Fund supported by River and Mercantile's distribution capability demonstrates the potential of bringing together strong operating companies."

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Ticker: AIM: ASTO.L

CHAIRMAN'S STATEMENT

The six months ended 31 March 2023 saw a period of unrelenting market pressure. Although most stock markets saw some uplift in value, investor sentiment was weak and the collapse of Silicon Valley Bank, followed swiftly by the rescue of Credit Suisse, did nothing to calm the nerves of investors. Fund flows across the industry were consistently negative for the period, with outflows from UK Equity funds (currently AssetCo's largest exposure) actually increasing in Q1 2023 from what were already record levels in 2022. With overall industry figures negative, the only respite from the gloom was in Global Equity funds where inflows turned tentatively positive in Q1 2023.

The AssetCo Group of companies was sadly not immune from these pressures and the Group generally suffered outflows over the period, when inflows had been the expectation. The general rise in markets has cushioned the effect to some extent, but it is fair to say that we remain behind where we want to be in terms of asset growth. Thankfully the Global Equity asset class is one where we have been bucking the trend for some time with the Saracen Global Income and Growth Fund and the more supportive environment was welcome.

Progress has been made in delivering cost savings and the revenue pressures have moved us to go further in this regard. Savings of over £1m have been identified on top of those already targeted and being actioned at year end, leading us to a projected run rate costs target of £15m for the active equities business at River and Mercantile ("R&M"), which eliminates more than £16m from the cost base inherited in the River and Mercantile acquisition. We also reached agreement to sell River and Mercantile's loss-making US business earlier this year. The deal completed at the end of May and will result in a modest revenue share benefit for a period going forward, while eliminating net losses which amounted to £0.4m in this reporting period.

We intend to roll the Saracen business into SVM in the near future and the ground is being laid for the full-scale integration of all of our active equities businesses under the River and Mercantile brand. In the meantime, cost savings at SVM aim to move that business (considered as a stand-alone) to profitability on a run rate basis around financial year end, while Saracen is expected to generate good revenues this year as its flagship Global Income and Growth Fund continues to gather assets.

It has been encouraging to see net inflows into the Rize ETF business over the period, which bucks the general trend in conventional fund markets and points to the on-going potential for this product set. That said, the business remains materially behind plan, its thematic focus having been set back by the advent of war in Ukraine and subsequent market jitters. We have therefore decided to take the prudent approach of writing down the holding value in our balance sheet by c.£5m to £12m. We continue to see real potential in this business, but it is emerging later and slower than we had hoped.

The market for infrastructure funds has been particularly challenging against a backdrop of rising rates and a crisis for UK pension funds and insurers in the Liability Driven Investment (LDI) market. This has proven particularly unhelpful for River and Mercantile's own infrastructure fund as a UK only income vehicle and new commitments have not been forthcoming as hoped, although a pipeline of potential commitments is being actively developed. Recognising this slower and later business development and taking a conservative position, we have elected to make a provision of £1.7m against assets held on the balance sheet for our infrastructure business which have been advanced in expectation of future profits.

Financials

The Income Statement for the six months ended 31 March 2023 shows revenue of £8.3m (31 March 2022: £1.3m) and a loss before taxation of £13.8m (31 March 2022: loss £2.6m).

As was the case with the previous full year's result, it is difficult to make a direct comparison to the previous six-month period. The six months to 31 March 2022 did not include the businesses of River and Mercantile and SVM, whereas (with the exception of the month of October in the case of SVM which was acquired at the end of October) both businesses are fully included in the six months to end March 2023. This brought an additional £11.7m of administrative expenses into account for the current period, compared to the six months ending 31 March 2022. Some £3m of expenses in the current period were one-off costs, almost half relating to re-structuring.

We have elected to write down the holding value of Rize ETF (by £5m) and to make a provision (of £1.7m) against certain assets held on the balance sheet for River and Mercantile's infrastructure business. In both cases this reflects the later and slower development of these otherwise attractive businesses in the current market environment.

Total (balance sheet) assets at 31 March 2023 were £86.5m (31 March 2022: £60.9m) which underlines the strength of our balance sheet. The Group held cash of £27.5m and c.£4.8m in treasury shares at period end.

Continuing to Build the Business

We were pleased, at the beginning of March, to announce the acquisition of Ocean Dial Asset Management Limited. Ocean Dial was established in 2005 and is wholly owned by Avendus Capital Asset Management (UK) Limited. Ocean Dial's current business is the management of the assets of the India Capital Growth Fund Limited, which, as at end May 2023, had a net asset value in excess of £139m and an annualised run rate revenue of £1.6m. The Acquisition is expected to be earnings enhancing for the Group and it is anticipated that further synergies will be achievable following completion. The acquisition is notable both for the access it gives us to investment capability in the world's most populous nation and the partnership it brings with the India Capital Growth Fund Limited. We look forward to completing the transaction later in the year (subject to receipt of the required regulatory approvals) and welcoming the Ocean Dial team to the AssetCo Group.

The Group was delighted to welcome Michelle Dunne as Head of Institutional Sales at River and Mercantile where she brings an outstanding reputation to bear in asset raising, particularly in the area of private markets and infrastructure, having worked at BlackRock for over 10 years and after that at Neuberger Berman. We are pleased to be able to attract such talent to the Group and to invest in the growth of our business in this way.

Outlook

While market conditions remain challenging, we remain on track to deliver significant cost savings from the Group by year-end. This, combined with the strong performance of many of our funds, our robust balance sheet and the fact that we continue to see numerous avenues for profitable growth, give us continuing confidence in the future of the business.

Board

Mark Butcher, previously independent non-executive director, stood down from the Board at the Company's AGM on 30 March 2023 in light of his length of service. I must re-iterate my thanks to Mark, both personally and on behalf of the Board, for his support and contribution to the Company for over 10 years. We wish him the very best for the future.

Martin Gilbert

Chairman

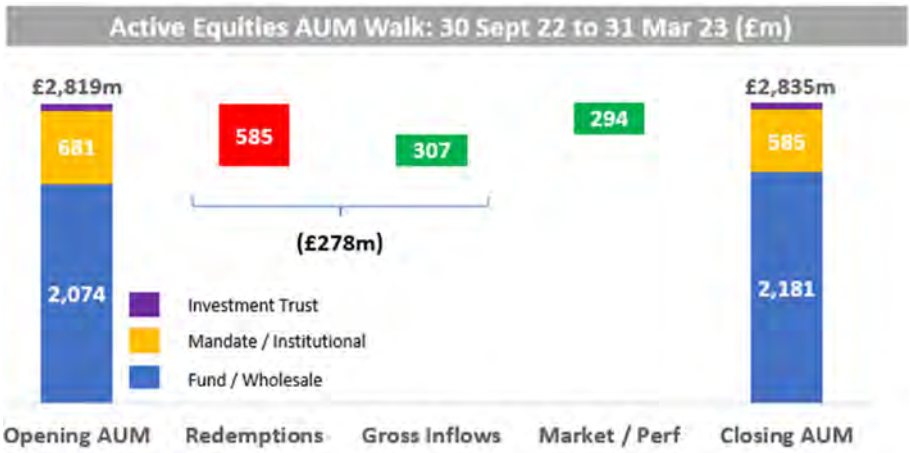
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BUSINESS REVIEW

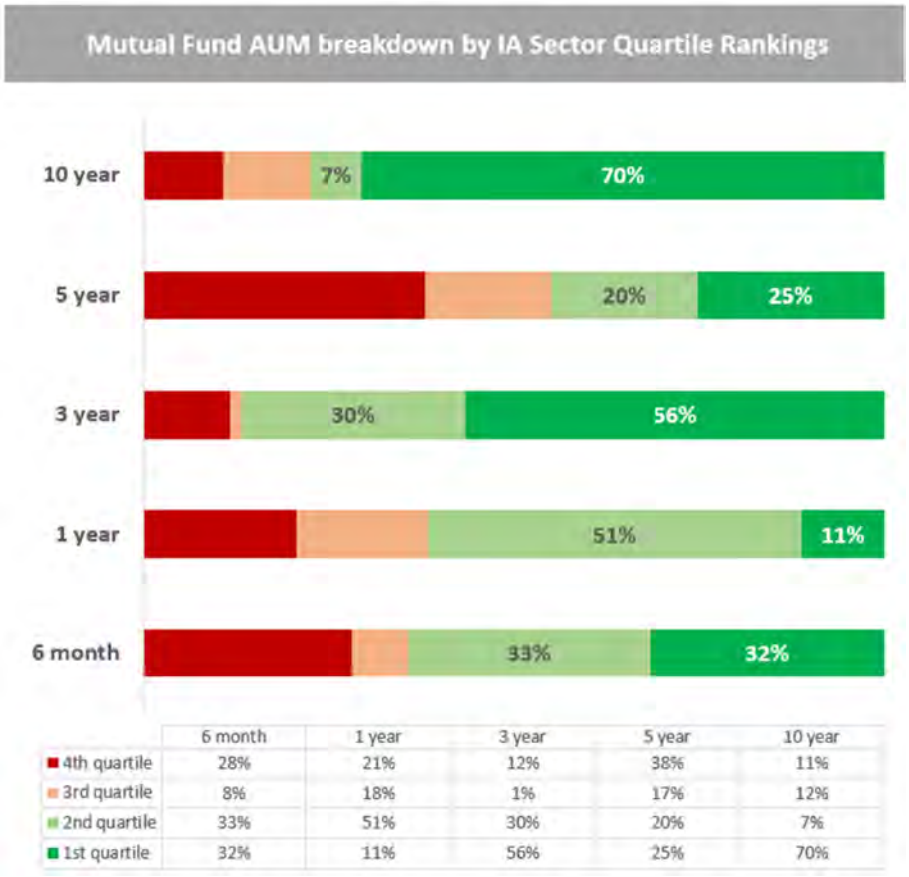
The chart below shows the movement in active equities assets over the period and includes, for this purpose, SVM assets under management at 30 September even though the business was not actually acquired until end October 2022.

The single biggest detractor during the period was the River and Mercantile loss of a New Zealand institutional mandate (where the client made an asset allocation call away from the asset class in question). Otherwise, profit taking in R&M's Global Recovery funds has been the somewhat frustrating order of the day, together with unfortunately expected redemptions from the poorly performing SVM UK Growth fund. On the plus side, additions to another R&M US client's institutional mandate have been welcome, as has been the fairly consistent level of net inflows to the Saracen Global Income and Growth Fund.

Market movements have been helpful over the period, leaving the business marginally ahead overall, in terms of AuM.



Investment performance for the Group's active equities funds has been resilient over the period, with particularly strong showings over 10, 3 and 1 year periods. It is also worth noting that our flagship UK-domiciled European fund is approaching its important third anniversary with a favourable track record. All things continuing well, this should facilitate its wider promotion in the market.



	6 month	1 year	3 year	5 year	10 year
4th quartile	28%	21%	12%	38%	11%
3rd quartile	8%	18%	1%	17%	12%
2nd quartile	33%	51%	30%	20%	7%
1st quartile	32%	11%	56%	25%	70%

Assets under management have increased over the period, thanks mainly to rises in market values, further draw down on infrastructure commitments and net inflows in ETFs. We have been particularly encouraged by the rise in weighted average fee rates for active equities where lower margin outflows have been replaced by higher margin inflows (for example in institutional mandates and with the inflows to the higher margin global equities fund in place of UK equities outflows)

Annualised Revenue Breakdown by Business Type (as at 31 March 2023)

Business Type	AuM (£m)	Weighted average fee rate, net of rebates (bp)	Gross annualised revenue net of rebates (£000s)
Wholesale (active equities)	2,181	58	12,640
Institutional (active equities)	585	37	2,138
Investment Trust (active equities)	68	73	501
Infrastructure	63	68	428
ETFs	363	47	1,700
Total	3,261		17,408

This table excludes the Group's structured 30% interest in Parmenion which had AuM of £10.6bn at 31 March 2023, and generated revenues of £20.6m for the period from 1 October 2022.

- Wholesale refers to the active equity assets which are held and managed in mutual funds distributed by the Group.
- Institutional refers to the active equity assets which are held and managed in separate accounts on behalf of institutional clients of the Group.

- Investment Trust refers to the active equity assets which are held and managed in investment trusts which are clients of the Group.

Rize

The period between 1 October 2022 and 31 March 2023 was particularly tough for the European thematic ETF market as a whole, with net outflow of USD 314 million across that market. Notwithstanding the outflow across the wider thematic ETF market, Rize ETF enjoyed net inflows of $21 million in that period, and spent much of that time building its next suite of ETFs and expanding its marketing footprint across Europe. As part of that, Rize ETF has been working with a number of key clients to develop its next suite of sustainable thematic (Article 9) ETFs whilst also expanding the number of target client firms that have onboarded its ETFs as a way of positioning itself for the next wave of thematic allocations once interest rates and inflation begin to normalise and larger allocations into thematic equities begin to return in meaningful size. The Rize Environmental Impact 100 UCITS ETF has been one of the top performing environment/climate-themed sustainable thematic (Article 9) funds during the period with a return of 24.7 % between 1 October 2022 and 31 March 2023 and achieving $10 million in net inflows in the period.

Parmenion

The six-month period from 1 October 2022 to 31 March 2023 saw Parmenion generate revenues of £20.6m and an EBITDA of £9.1m. Platform AUM across the group increased from £8.5bn to £10.6bn. (Note the numbers include ebi as referenced below).

In December 2022, the business launched a new proposition, Advisory Models Pro, which allows significantly more flexibility for adviser firms in building their own models using our fund range and platform technology. This launch was accompanied by an app which has streamlined the consent journey for clients, along with providing more user-friendly reporting.

The platform offering was further enhanced with the addition of a number of new external discretionary fund managers, to run alongside our in-house portfolio investment management service.

At the end of the year, Parmenion was strengthened by the acquisition of ebi Portfolios Limited, a Midlands-based DFM, with a reputation for strong ESG credentials. Further M&A opportunities continue to be evaluated as they arise.

Parmenion has improved cash generation in line with increased EBITDA. Cash held at 31 March 2023 was £28.7m compared to £30.8m at the end of September 2022. This decrease reflects the payment of the initial consideration for ebi, which was paid out of operational cash. Parmenion has continued to strengthen its balance sheet with capital held well in excess of regulatory requirements.

In summary, Parmenion has continued to grow successfully despite the wider economic challenges and has improved profit, cashflows and balance sheet strength and completed its first acquisition in the period.

Key Performance Indicators

The following table summarises key performance indicators for the business, illustrating the progression of the business over the period.

	End March 2023	End Sept 2022	End March 2022	Movement March 2022 to March 2023 (Sept 22 to March 23)
Total Assets under Management (excluding Parmenion)	£3,261m	£2,652m	£503m	+£2,758m (+£609m)
Active Equities Assets under Management	£2,766m	£2,291m	£113m	+£2,653m (+£475m)
Total (balance sheet) assets	£86.5m	£102.1m	£60.9m	+£25.6m (-£15.6m)
Annualised revenue[1]	£17.9m	£12.9m	£2.7m	+£15.2m (+£5m)
Profit/loss for the period	-£13.8m	-£9.3m	-£2.6m	-£11.2m (n/a)
Investment performance[2] (1 year)	62%	76%	0%[3]	+62% points (-14% points)
Investment performance[2] (3 year)	86%	53%	2%[3]	+84% points (+33% points)

[1] Monthly recurring revenue at date shown, annualised (i.e. x 12)

[2] % active equity mutual fund AuM in 1st or 2nd quartile when compared to competitor funds in relevant Investment Association sectors.

[3] Saracen only

Campbell Fleming, Chief Executive Officer

14 June 2023

AssetCo plc

Consolidated Income Statement

for the six months ended 31 March 2023

	Notes	**Six months ended**		Year ended
		Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 Sept 2022 £'000
Revenue	**3**	**8,275**	1,285	8,062
Cost of sales		**-**	(1,767)	-
Gross (loss)/profit		**8,275**	(482)	8,062
Other income	**4**	**1,788**	-	1,977
Administrative expenses	**5**	**(17,014)**	(5,261)	(25,051)
Other gains/(losses)	**6**	**(6,718)**	-	(9,732)
Operating (loss)	**3**	**(13,669)**	(5,743)	(24,744)
Gain on bargain purchase	**7**	**-**	-	3,227
Finance income	**8**	**2**	1,590	12,433
Finance costs		**(136)**	-	(10)
Finance income (net)		**(134)**	1,590	12,423
Share of result of associate		**266**	1,512	181
(Loss) before income tax		**(13,537)**	(2,641)	(8,913)
Income tax credit/(expense)	**9**	**148**	-	59
Loss after tax from continuing operations		**(13,389)**	(2,641)	(8,913)
Loss after tax from discontinued operation	**10**	**(413)**	-	(401)
(Loss) for the year		**(13,802)**	(2,641)	(9,255)
(Loss) attributable to:				
Owners of the parent		**(13,434)**	(2,252)	(8,440)
Non-controlling interest		**(368)**	(389)	(815)
		(13,802)	(2,641)	(9,255)
Loss per Ordinary Share attributable to the owners of the parent during the year		**Pence**	Pence[1]	Pence
From continuing operations				
Basic	**11**	**(9.28)**	(2.67)	(7.80)
Diluted	**11**	**(9.28)**	(2.67)	(7.80)

[1] Prior year loss per share has been re-stated to reflect the 10-1 share split carried out by AssetCo in August 2022.

AssetCo plc

Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2023

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 Sept 2022 £'000
(Loss) for the year	**(13,802)**	(2,641)	(9,255)
Other comprehensive (loss)/income:			
Currency translation differences	**-**	-	-
Other comprehensive income (net of tax)	**-**	-	-
Total comprehensive (loss) for the period	**(13,802)**	(2,641)	(9,255)
Attributable to:			
Owners of the parent	**(13,434)**	(2,252)	(8,440)
Non-controlling interests	**(368)**	(389)	(815)
Total comprehensive (loss) for the year	**(13,802)**	(2,641)	(9,255)

AssetCo plc

Consolidated Statement of Financial Position
as at 31 March 2023

	Notes	**Unaudited 31 March 2023 £'000**	Unaudited 31 March 2022 £'000	Audited 30 Sept 2022 £'000
Assets				
Non-current assets				
Property, plant and equipment		**42**	27	32
Right-of-use assets		**1,969**	-	224
Goodwill and intangible assets		**25,798**	20,051	24,600
Investments accounted for using the equity method		**22,318**	23,383	22,052
Long-term receivables		**-**	-	1,208
Total non-current assets		**50,127**	43,461	48,116
Current assets				
Trade and other receivables		**7,596**	636	9,700
Assets held for sale	**10**	**56**	-	-
Financial assets at fair value through profit and loss		**44**	13,200	37
Current income tax receivable		**1,173**	3	1,173
Cash and cash equivalents		**27,548**	3,634	43,066
Total current assets		**36,417**	17,473	53,976
Total assets		**86,544**	60,934	102,092
Liabilities				
Non-current liabilities				
Deferred tax liabilities		**1,000**	49	1,070
Total non-current liabilities		**1,000**	49	1,070
Current liabilities				
Trade and other payables		**8,878**	2,471	12,750
Liabilities held for sale	**10**	**52**	-	-
Lease liability		**2,049**	-	294
Loan due to related party		**-**	1,000	-
Loan notes	**12**	**6,895**	-	-
Current income tax liabilities		**1,566**	1,437	1,437
Total current liabilities		**19,440**	4,908	14,481
Total liabilities		**20,440**	4,957	15,551
Equity attributable to owners of the parent				
Share capital		**1,493**	843	1,493
Share premium	**12**	**209**	27,770	-
Capital redemption reserve		**653**	653	653
Merger reserve		**43,063**	2,762	43,063
Other reserves		**-**	7,977	-
Retained earnings		**22,148**	16,640	42,426
		67,566	56,645	87,635
Non-controlling interest		**(1,462)**	(668)	(1,094)
Total equity		**66,104**	55,977	86,541
Total equity and liabilities		**86,544**	60,934	102,092

AssetCo plc

Consolidated Cash Flows

for the six months ended 31 March 2023

	6 months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 Sept 2022 £'000
Cash flows from operating activities			
Cash (outflow) from operations (note 13)	**(8,759)**	(2,768)	(17,916)
Cash outflows from discontinued operation	**(413)**	-	(401)
Corporation tax paid	**-**	-	(31)
Finance costs	**(33)**	-	(10)
Net cash (outflow) from operating activities	**(9,205)**	(2,768)	(18,358)
Cash flow from investing activities			
Net cash received from acquisitions (note 12)	**2,802**	-	42,148
Payments to acquire associated undertakings	**-**	(21,871)	(21,871)
Interest on loan notes held in associate		-	1,977
Dividends received from financial assets held at fair value	**-**	390	11,459
Finance income	**2**	-	974
Proceeds of disposal of investments at FV through P and L	**-**	-	1,017
Additions to right-of-use assets	**(2,176)**	-	-
Purchase of property, plant and equipment	**(22)**	(14)	(15)
Purchase of intangibles	**(6)**	(6)	(12)
Net cash (outflow)/inflow from investing activities	**600**	(21,501)	35,677
Cash flow from financing activities			
Costs of share issue	**-**	-	(1,000)
Dividend paid to AssetCo shareholders	**(1,798)**	-	-
New lease financing	**2,176**	-	-
Lease payments	**(454)**	-	(104)
Shares bought for treasury	**(6,837)**	-	(51)
Short-term loan from related party	**-**	1,000	-
Net cash used in financing activities	**(6,913)**	1,000	(1,155)
Net change in cash and cash equivalents	**(15,518)**	(23,269)	16,164
Cash and cash equivalents at beginning of year	43,066	26,902	26,902
Cash and cash equivalents at end of year	**27,548**	3,633	43,066

AssetCo plc

Consolidated Statement of Changes in Equity

for the six months ended 31 March 2023

	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2021	**843**	**27,770**	**653**	**2,762**	**5,496**	**18,892**	**56,416**	**(279)**	**56,137**
Comprehensive income									
Loss for the period	-	-	-	-	-	**(2,252)**	**(2,252)**	**(389)**	**(2,641)**
Total comprehensive loss	-	-	-	-	-	**(2,252)**	**(2,252)**	**(389)**	**(2,641)**
Share-based payments – LTIP	-	-	-	-	**2,481**	-	**2,481**	-	**2,481**
At 31 March 2022	**843**	**27,770**	**653**	**2,762**	**7,977**	**16,640**	**56,645**	**(668)**	**55,977**
Comprehensive income									
Loss for the period	-	-	-	-	-	**(6,188)**	**(6,188)**	**(426)**	**(6,614)**
Other comprehensive income									
Currency translation differences	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)	-	-	-	-	-	**(6,188)**	**(6,188)**	**(426)**	**(6,614)**
Shares issued on acquisition	**598**	-	-	**41,301**	-	-	**41,899**	-	**41,899**
Costs of share issue	-	-	-	**(1,000)**	-	-	**(1,000)**	-	**(1,000)**
Share-based payments - LTIP	**52**	**4,255**	-		**(7,977)**	-	**(3,670)**	-	**(3,670)**
Share premium cancellation	-	**(32,025)**	-	-	-	**32,025**	-	-	-
Shares bought for treasury	-	-	-	-	-	**(51)**	**(51)**	-	**(51)**
At 30 September 2022	**1,493**	-	**653**	**43,063**	-	**42,426**	**87,635**	**(1,094)**	**86,541**
Comprehensive income									
Loss for the period	-	-	-	-	-	**(13,434)**	**(13,434)**	**(368)**	**(13,802)**
Total comprehensive (loss)	-	-	-	-	-	**(13,434)**	**(13,434)**	**(368)**	**(13,802)**
Shares bought for treasury	-	-	-	-	-	**(6,837)**	**(6,837)**	-	**(6,837)**
Treasury shares used to settle conversion of loan notes	-	**209**	-	-	-	**1,791**	**2,000**	-	**2,000**
Dividends paid	-	-	-	-	-	**(1,798)**	**(1,798)**	-	**(1,798)**
At 31 March 2023	**1,493**	**209**	**653**	**43,063**	-	**22,148**	**67,566**	**(1,462)**	**66,104**

NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS

1. General information and basis of presentation

AssetCo Plc ("AssetCo" or the "Company") is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is 30 Coleman Street, London, EC2R 5AL.

AssetCo is the Parent Company of a group of companies ("the Group") which offers a range of investment services to private and institutional investors.

The financial information in the Half-year Report has been prepared using the recognition and measurement principles of the UK-adopted International Accounting standards and in conformity with the requirements of the Companies Act 2006. The principal accounting policies used in preparing the Half-year Report are those the Company expects to apply in its financial statements for the year ending 30 September 2023 and are unchanged from those disclosed in the Annual Report and Financial Statements for the year ended 30 September 2022.

The financial information for the six months ended 31 March 2023 and the six months ended 31 March 2022 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2022 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies.

While the financial figures included in this Half-year Report have been computed in accordance with IFRSs applicable to interim periods, this Half-year Report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The financial statements have been presented in sterling to the nearest thousand pounds (£'000), except where otherwise indicated.

2. Going concern

The directors have considered the going concern assumption of the Group by assessing the operational and funding requirements of the Group. The directors have prepared financial projections along with sensitivity analyses of reasonable plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the Group has adequate financial resources to continue operating for a period of at least 12 months from the date of signing these Interim Financial Statements. Therefore the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3. Segmental reporting

The core principle of IFRS 8 'Operating segments' is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segment information is therefore presented in respect of the company's commercial competencies, Active equities, Infrastructure asset management, Exchange traded funds, Digital Platform and Head office. It should be noted that the segment 'Exchange traded funds' was historically named 'High-growth thematics'. There has been no change in allocation methodology or accounting for this segment.

Active equities comprise RMG, SVM, Saracen and Revera; Infrastructure Asset Management is the non-equities investment arm of RMG; Exchange Traded Funds is Rize ETF and Digital Platforms represents the Group's investment in the associated company, Parmenion.

Substantially all revenues are earned in the UK with a small amount generated in the US. We have included a table below to show the split. The Directors consider that the chief operating decision maker is the Board.

The amounts provided to the Board with respect to net assets are measured in a manner consistent with that of the financial statements. The Company is domiciled in the UK.

The segment information provided to the Board for the reportable segments is as follows:

Period ended 31 March 2023 unaudited	Active equities £'000	Infrastructure asset management £'000	Exchange traded funds £'000	Digital platform £'000	Head office £'000	Total £'000
Revenue						
Management fees	**7,257**	**230**	**-**	**-**	**-**	**7,487**
Marketing fees	**-**	**-**	**788**	**-**	**-**	**788**
Total revenue	**7,257**	**230**	**788**	**-**	**-**	**8,275**
Operating (loss)/profit	**(5,702)**	**(1,932)**	**(6,245)**	**-**	**210**	**(13,669)**
Finance income	**2**	**-**	**-**	**-**	**-**	**2**
Finance costs	**(30)**	**-**	**-**	**-**	**(106)**	**(136)**
Share of result of associate	**-**	**-**	**-**	**266**	**-**	**266**
(Loss)/profit before tax	**(5,730)**	**(1,932)**	**(6,245)**	**266**	**104**	**(13,537)**
Income tax	**144**	**-**	**4**	**-**	**-**	**132**
(Loss)/profit for period	**(5,586)**	**(1,932)**	**(6,241)**	**266**	**104**	**(13,389)**
Segment assets						
Total assets	**47,570**	**645**	**12,819**	**-**	**25,510**	**86,544**
Total liabilities	**(4,781)**	**(851)**	**(319)**	**-**	**(14,489)**	**(20,440)**
Total net assets	**42,789**	**(206)**	**12,500**	**-**	**11,021**	**66,104**
Depreciation	**11**	**-**	**3**	**-**	**-**	**14**
Impairment of goodwill	**-**	**-**	**5,000**	**-**	**-**	**5,000**
Amortisation of intangible assets	**365**	**-**	**6**	**-**	**-**	**371**
Amortisation of right-of-use assets	**431**	**-**	**-**	**-**	**-**	**431**
Total capital expenditure	**22**	**-**	**6**	**-**	**-**	**28**

Period ended 31 March 2022 unaudited	Active equities £'000	Infrastructure asset management £'000	Exchange traded funds £'000	Digital platform £'000	Head office £'000	Total £'000
Revenue						
Management fees	424	-	-	-	-	424
Marketing fees	-	-	861	-	-	861
Total revenue	424	-	861	-	-	1,285
Operating (loss)	(6)	-	(1,229)	-	(4,508)	(5,743)
Finance income	-	-	-	-	1,590	1,590
Finance costs	-	-	-	-	-	-
Share of result of associate	-	-	-	1,512	-	1,512
(Loss)/profit before tax	(6)	-	(1,229)	1,512	(2,918)	(2,641)
Income tax	-	-	-	-	-	-
(Loss)profit for period	**(6)**	**-**	**(1,229)**	**1,512**	**(2,918)**	**(2,641)**
Segment assets						
Total assets	3,523	-	20,346	-	37,065	60,934
Total liabilities	(48)	-	(304)	-	(4,605)	(4,957)
Total net assets	**3,475**	**-**	**20,042**	**-**	**32,460**	**55,977**
Depreciation	**-**	**-**	**3**	**-**	**-**	**3**
Amortisation of intangible assets	**2**	**-**	**20**	**-**	**-**	**22**
Total capital expenditure	**-**	**-**	**20**	**-**	**-**	**20**

Year ended 30 September 2022 audited	Active equities £'000	Infrastructure asset management £'000	Exchange traded funds £'000	Digital platform £'000	Head office £'000	Total £'000
Revenue						
Management fees	6,259	79	-	-	-	6,338
Marketing fees	-	-	1,724	-	-	1,724
Total revenue	6,259	79	1,724	-	-	8,062
Operating (loss)/profit	(6,723)	(151)	(2,794)	-	(15,076)	(24,744)
Gain on bargain purchase	-	-	-	-	3,227	3,227
Finance income	974	-	-	-	11,459	12,433
Finance costs	(10)	-	-	-	-	(10)
Share of result of associate	-	-	-	181	-	181
(Loss)/profit before tax	(5,759)	(151)	(2,794)	181	(390)	(8,913)
Income tax	59	-	-	-	-	59
(Loss)/profit for the year	**(5,710)**	**(151)**	**(2,794)**	**181**	**(390)**	**(8,854)**

Segment assets						
Total assets	56,826	1,706	19,324	-	24,236	102,092
Total liabilities	(12,157)	(678)	(461)	-	(2,255)	(15,551)
Total net assets	**44,669**	**1,028**	**18,863**	**-**	**21,981**	**86,541**
Depreciation	9	-	5	-	-	14
Amortisation of intangible assets	187	-	40	-	-	227
Amortisation of right-of-use assets	187	-	-	-	-	187
Total capital expenditure	1	-	26	-	-	27

Geographical analysis of revenues	**Six months ended**		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
UK	8,275	1,285	6,905
US	**-**	-	1,270
	8,275	1,285	8,175

4. Other income

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Interest on loan notes held in associate	**1,788**	-	1,977

The Group holds a 30% equity interest in Parmenion Capital Partners LLP through a corporate entity, Shillay TopCo Limited. A large part of the Group's total investment is held by way of loan notes. Shillay has the option to settle interest by payment-in-kind and they have informed the Company that they will do so for interest due at 30 June 2023. Accordingly they will issue additional loan notes to AssetCo plc for the amount of interest due at that date. We have in the 6 months to 31 March 2023 reflected £1,788,000 as accrued income pending settlement of the full amount due in loan notes immediately after 30 June. In the prior year the Group received £1,977,000 of interest on those loan notes in cash.

5. Administrative expenses and exceptional items

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Restructuring costs	**1,197**	-	3,196
Costs of re-admission to AIM	**-**	516	671
Exceptional items	**1,197**	516	3,867
Acquisition costs	**197**	530	1,116
Share-based payments	**-**	2,453	3,250
Other administrative expenses	**15,620**	1,722	16,818
Total administrative expenses	**17,014**	5,261	25,051

Restructuring costs

RMG sold its UK Solutions business for £230 million on 31 January 2022, a transaction which left RMG a much smaller business with overheads out of step with its reduced size. AssetCo has usually bought businesses where the strategy has mainly involved growth in revenue but in this instance a significant project to right-size the acquired business has been needed following acquisition by AssetCo on 15 June 2022. As part of the process the Group has incurred one-off exceptional restructuring costs which including termination payments, salary costs of those exiting the business and other charges.

AssetCo completed the purchase of SVM at the end of October 2022 and the Group has incurred some restructuring costs in respect of the integration of this business as well.

Costs of re-admission to AIM

The Group has in the last two years twice had to apply for re-admission to AIM; once in April 2021 when shareholders were asked to approve the change in strategy to asset and wealth management, and again in June 2022 given the nature and scale of the acquisition of RMG. These significant costs are in relation to those exercises and were required because of the unusual nature of the change in strategy and the relative size of AssetCo compared to the acquisition target. Our strategy is now settled and, with the completion of the acquisition of RMG, AssetCo is now at a scale where re-admission in order to complete an acquisition is unlikely so the Directors consider that costs such as this are not likely to recur.

Acquisition costs

Costs incurred in the 6 months to 31 March 2023 relate to the acquisition of SVM Asset Management Limited. Costs incurred in the prior periods to 31 March and 30 September 2022 all relate to the acquisition of RMG.

6. Other gains and losses

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Impairment of goodwill	5,000	-	-
Impairment of long-term receivable	1,718	-	-
Reduction in fair value of asset held for resale	-	-	9,750
Gain on disposal of fair value investments	-	-	(18)
	6,718	-	9,732

As referred to in the Chairman's statement the Rize ETF business is not performing as we had hoped. Accordingly the board has reviewed the carrying value of goodwill attributable to the business and concluded that an impairment of £5 million is appropriate at 31 March 2023.

The Infrastructure business is still in its early stages and the Group is committed to paying drawings in advance of profits to the partners of this venture. In the last few months it has become clear that the timeline for achieving profitability has slipped back and the board believe it is prudent to make provision against the drawings advanced to date. The recoverability of these amounts will be kept under review.

On 15 June 2022 the Group acquired the entire share capital of RMG. However the Group had in 2021 bought 5,000,000 shares in RMG representing 5.85% of the total issued share capital and this

investment was carried on the 2021 balance sheet at a fair value of £12,000,000. When calculating the overall consideration for the whole of RMG the Group must assess the fair value of the existing investment at the time of completion of the deal. Given the effect on the RMG share price of normal market pricing and the significant return to shareholders arising from the sale of the RMG Solutions business the fair value was assessed at £2,250,000 leading to a reduction in fair value of £9,750,000.

The Group acquired a small number of seed investments with the acquisition of RMG in June 2022. One of those investments was sold before 30 September 2022 for sale proceeds of £1,017,000 realising a gain on disposal of £18,000.

7. Gain on bargain purchase

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Arising on acquisition of RMG	-	-	3,227

The calculation of the difference arising on acquisition of River and Mercantile between the purchase consideration and the value of net assets acquired gave rise to a negative amount of goodwill as the value of net assets acquired was larger than the consideration. In accordance with accounting standards the amount of £3,227,000 is treated as a credit to the income statement.

8. Finance income

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Dividend income	**-**	390	11,459
Gain on foreign exchange	**-**	-	927
Fair value gains on financial instruments classified as fair value through profit and loss	**-**	1,200	-
Interest income	**2**	-	47
	2	1,590	12,433

9. Income tax (credit)/expense

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Current tax:			
Current tax on loss for the period	**(16)**	**-**	(13)
Total current tax (credit)/expense	**-**	**-**	(13)
Deferred tax:			
Arising from movement in deferred tax assets	**-**	**(228)**	16
Arising from movement in deferred tax liabilities	**(132)**	**228**	(62)
Total deferred tax (credit)/expense	**(132)**	**-**	(46)
Income tax (credit)/expense	**(148)**	**-**	(59)

10. Discontinued operations

In January 2023 the Group reached agreement to sell its US-based ILC business. The deal completed in the last week of May 2023. As required by IFRS 5 these interim financial statements show the assets and liabilities of this business as held for sale with the results of the business shown as discontinued operations. Financial information relating to the discontinued operation is set out below:

Statement of comprehensive income	**Six months ended**		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
Revenue	135	-	113
Administration costs	(548)	-	(514)
Reported loss on discontinued activities	(413)	-	(401)

At 31 March 2023 the carrying amount of assets and liabilities were reclassified as held for sale. There was no gain or loss recognised as a result of this reclassification.

	Unaudited 31 March 2023 £'000
Assets	
Cash and cash equivalents	6
Other receivables	50
Total assets	56

Liabilities	
Trade and other payables	52
Total liabilities	52
Net assets	**4**

11. Loss per share

Basic loss per share is calculated by dividing the loss on continuing operations attributable to equity owners of the parent by the weighted average number of Ordinary Shares in issue during the period.

The weighted average number of shares is calculated by reference to the length of time shares are in issue taking into account the issue date of new shares and any buy-backs or usage of treasury shares.

	Six months ended		Year ended
	Unaudited 31 March 2023	Unaudited 31 March 2022[1]	Audited 30 September 2022
	£000	**£000**	£000
Loss attributable to owners of the parent	**(13,434)**	(2,252)	(8,440)
Less: amounts arising from discontinued operation	**413**	-	401
Loss on continuing operations attributable to owners of the parent	**(13,021)**	(2,252)	(8,039)
Weighted average number of ordinary shares in issue before share split as reported	**-**	8,424,847	-
Basic (loss) per share as reported – (pence)	**-**	(26.73)	-
Weighted average number of ordinary shares in issue post share split	**140,307,124**	84,248,470	103,017,624
Basic (loss) per share restated – (pence)	**(9.28)**	(2.67)	(7.80)

[1] In August 2022 the Company effected a 10 for 1 share split. The prior year share numbers and loss per share have been adjusted for this.

As the results in the periods under review are all losses diluted loss per share is the same as basic loss per share. Under IAS 33 the effects of anti-dilutive potential ordinary shares are ignored in calculating diluted loss per share.

12. Acquisition of SVM and issue of shares from treasury

At the end of October 2022 AssetCo completed the acquisition of SVM Asset Management Limited for a total fair value consideration of £11,044,000. Full details of fair value of assets, liabilities and consideration will be set out in the 2023 Annual Report and Accounts but the amounts included in these interim financial statements at the date of acquisition are summarised below:

	£'000
Cash at bank	**5,019**
Intangible assets	**250**
Net liabilities (excluding cash at bank and intangible assets)	**(564)**
Net assets before goodwill on acquisition	**4,705**
Consideration	**11,044**
Goodwill recognised on acquisition	**6,339**
Consideration	
Cash paid	**2,217**
Convertible loan notes at fair value	**8,827**
Total consideration	**11,044**
Cash at bank on acquisition	**5,019**
Cash paid on acquisition	**2,217**
Net cash on acquisition	**2,802**

The loan notes have a nominal value of £9 million, are unsecured and carry a coupon of 1%. The first £2 million of loan notes were convertible into AssetCo ordinary shares in certain circumstances, at market value, up to 31 December 2022 with the remainder convertible into AssetCo ordinary shares, at £1.45 per share, up to 31 December 2023. If not converted the loan notes are repayable at nominal value on 31 December 2023.

The reduction in nominal value of the loan notes represents a fair value adjustment to reflect the difference in the 1% coupon and a market interest rate. An amount of £173,000 will be amortised over the life of the loan notes with an amount of £68,000 expensed by 31 March 2023.

As announced on 20 March 2023 the SVM vendors, following an extension of their conversion option date to 28 February 2023, duly exercised their option to convert the first £2 million of loan notes into AssetCo ordinary shares. The market price agreed was 68.7p per share and led to the issue to the SVM vendors of 2,911,208 AssetCo ordinary shares which were satisfied by the transfer of shares from those held in treasury. As set out in Companies Act 2006 the difference between the average purchase price of these shares and the agreed issue price is taken to share premium.

At 31 March 2023 following conversion and amortisation of the fair value interest the balance on convertible loan notes is £6,895,000.

13. Cash generated by operations

	Six months ended		Year ended
	Unaudited 31 March 2023 £'000	Unaudited 31 March 2022 £'000	Audited 30 September 2022 £'000
(Loss)/profit before tax for the period	**(13,537)**	(2,641)	(8,913)
Share-based payments - LTIP	**-**	2,481	2,749
Cash effect of LTIP	**-**	-	(3,938)
Share of profits of associate	**(266)**	(1,512)	(181)
Interest received from associate	**-**	-	(1,977)
Increase in investments	**(7)**	(1,200)	-
Reduction in fair value of investments	**-**	-	9,750
Gain on disposal of fair value investments	**-**	-	(18)
Proceeds of assets held for resale	**1,613**	-	5,462
Bargain purchase	**-**	-	(3,227)
Impairment of long-term receivable	**1,718**	-	-
Impairment of goodwill	**5,000**	-	-
Depreciation	**14**	3	14
Amortisation of intangible assets	**386**	22	227
Amortisation of right-of-use assets	**431**	-	187
Finance costs	**136**	-	10
Finance income	**(2)**	(390)	(974)
Dividends from investment held at fair value	-	-	(11,459)
(Increase)/decrease in receivables	**612**	(29)	928
(Decrease)/increase in payables	**(4,851)**	498	(6,556)
Net cash (outflow)/inflow from operations	**(8,759)**	(2,768)	(17,916)

14. Electronic communications

This Half-year Report is available on the Company's website www.assetco.com. News updates, regulatory news and financial statements can be viewed and downloaded from the Company's website, www.assetco.com. Copies can also be requested, in writing, from The Company Secretary, AssetCo plc, 30 Coleman Street, London EC2R 5AL. The Company is not proposing to bulk print and distribute hard copies of the Half-year Report unless specifically requested by individual shareholders.