

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Arden Partners plc  
("Arden" or the "Company" or the "Group")

Unaudited results for the six months ended 30 April 2021

Arden Partners plc (AIM: ARDN.L), the institutional stockbroking company, today announces its unaudited results for the six months ended 30 April 2021 (the "period").

### Highlights

- The recovery in UK equity markets, the dramatic increase in demand for capital triggered by the Covid 19 pandemic and improved investor appetite provided favourable trading conditions throughout the period.
- Strong performances across all areas of the business delivering a consistently profitable performance for the period.
- External recognition of the quality of our services with the corporate and research teams winning a number of industry awards.
- Post the period end, the Company has seen a continuation of the favourable trading environment and has continued to trade profitably, with several corporate transactions completed and an encouraging pipeline.

### Financial highlights

- Revenue: increased by 118% to £5.0m (2020: £2.3m) with growth in all areas of the business
- Profit before tax: £0.9m (H1 2020: Loss before tax of £1.5m)
- Basic earnings per share: 3.5p (H1 2020: Loss per share of 5.7p)
- No interim dividend proposed (H1 2020: nil)
- Strong balance sheet with capital maintained at a level above minimum FCA requirements

Commenting Chief Executive Officer Donald Brown said:

"We are very pleased that the strong result delivered by our team in the second half of the last financial year has continued throughout the current year to date. As a result and despite the unprecedented times, the Company has consistently traded profitably.

The continued performance would not have been possible without the efforts of our teams who have ensured that our business activities suffered no disruption and that the quality of our service was not compromised. I am grateful for their hard work and commitment.

The second half has started well with a number of transactions having already been completed, including an IPO. Market sentiment has remained positive, continuing the favourable trading environment. We have a very encouraging pipeline of transactions and remain confident of delivering a profitable result for the year as a whole, the scale of which will be determined by the delivery of these pipeline deals."

Arden Partners plc	0207 614 5900
Donald Brown – Chief Executive Officer	
James Reed-Daunter – Executive Director	
Steve Douglas – Group Finance Director	

GCA Altium (NOMAD)	0207 484 4040
Tim Richardson	

SEC Newgate (Press enquiries)	0207 653 9850
Clotilde Gros/Richard Bicknell	

Copies of this Interim Report are available from the Company's website ([www.arden-partners.com](http://www.arden-partners.com)) and from its registered office, 5 George Road, Edgbaston, Birmingham B15 1NP.

#### Notes for editors

Arden is a dedicated corporate adviser and multi-service stockbroker to small and mid-cap companies in the UK and their investors.

The core of our business is the effective management of the needs of our significant and growing base of corporate clients, and the effective support of their relationships with existing and potential shareholders.

These relationships are enhanced by the quality of our corporate finance advice and industry research, and the strong market presence of our sales and trading teams.

Our corporate finance capabilities encompass M&A, corporate finance advisory, broking and Sponsor and NOMAD services. We represent our clients in private transactions and AIM and Main Market share issues.

Our research is designed to be sector focused, concentrating on top down thematic trends which highlight companies giving investors an exposure to the real growth areas of the small-cap and AIM markets.

It is the job of the sales team to keep institutions abreast of these themes and stock ideas. When there is a requirement for our corporate clients to raise money to fulfil their growth ambitions, the sales team is in a strong position to effect this, with its entrenched relationships with the UK institutional and non-institutional markets.

Our market making and trading teams provide liquidity in the shares of our corporate clients. We also trade the shares of non-client corporates on behalf of institutions.

The Arden Wealth Management team offers a bespoke service to our clients, with the ability to trade/invest in equities, bonds and a range of global investment funds, as well as allowing clients to participate in Primary and Secondary equity placings.

## CHIEF EXECUTIVE'S STATEMENT

### Overview

Market sentiment throughout the period was positive with small and mid-cap equities, in particular, performing strongly. Corporate confidence rebounded and the demand for capital from equity markets was extremely high. Lower levels of volatility also helped to create a favourable environment for the equities division.

As a consequence, all areas of our business performed strongly in the period. Revenues increased 118% when compared to the comparable prior period and we recorded a profit before tax of £0.9 million (H1 2020: loss before tax of £1.5 million).

### Business Review

#### Summary

	H1 2021 £'m	H1 2020 £'m	% Change
Equities	1.3	(1.1)	218.2
Corporate Finance (incl. corporate retainers)	3.5	3.4	2.6
Wealth Management	0.2	0.0	529.4
Revenue	5.0	2.3	118.0

#### Equities

The major impact on this division's results for the period was the profit made by the equity trading operations in the first half. As a provider of liquidity in more volatile small and mid-cap equities we are exposed to a certain level of systemic risk and we benefitted from the strong equity performance of the small and mid-cap market through the period.

In-line with internal budgets, other equity and research income remained broadly flat year on year. The repercussions of MiFID II, introduced in January 2018, will continue to impact this operation for as long as they remain in force in their current guise.

Access to research is a vital part of small and mid-cap investing. Our Research Portal provides investors with the greatest possible access to our corporate client research and is available by registering on our website ([www.arden-partners.com](http://www.arden-partners.com)). Our research is also available via the ResearchTree portal where it has been repeatedly highly ranked for its quality. We were delighted to receive external recognition for our research offering in the period, with various team members receiving industry accolades.

#### Corporate Finance

The Corporate Finance division experienced an increase in deal volumes and maintained its average fees per deal level. We closed fundraisings and M&A deals in both the public and private markets, demonstrating the broad competency and reputation of our team. We were delighted to receive external recognition for our advisory services with the team winning a number of awards in the period.

Retainer revenue from corporate clients was down modestly when compared with the prior period and this impacted the division's overall revenue growth for the period. The decrease in client numbers was disappointing, although this was partly the result of M&A and a number of delistings.

## Wealth Management

Wealth Management remains in its infancy whilst we wait for more stable market conditions to launch our full offering. Zoe Alexander has recently been appointed to head up the Family Office team within this division.

## Costs

	H1 2021 £'m	H1 2020 £'m	% Change
Staff costs	2.3	2.0	14.2
Non-staff costs	1.8	1.8	(2.1)
Total administrative expenses	4.1	3.8	6.3

Staff costs have risen compared to the comparable prior period which in part reflects the competitive nature of our industry and in part reflects an increase in the discretionary element of employee's remuneration to reflect the Company's performance in the period.

We anticipate an increase in headcount in the second half of the year as we invest in personnel in order to allow us to transact on the volume and complexity of the pipeline deals.

Non-staff costs continue to be tightly controlled.

## Capital and liquidity

The Group's liquidity position (which comprises cash and cash equivalents, long market making equity positions, trade and other receivables) was £6.5 million at the period-end (31 October 2020: £5.9 million). The Company's deferred PAYE creditor has been repaid in full and the deferred VAT is being repaid in-line with HMRC requirements.

The Directors believe that the liquidity position, which is an alternative performance measure, provides more useful information for shareholders on the underlying liquidity of the Group than the reported net assets, as it focuses solely on the readily realisable assets of the Group.

The Group's net assets at the period-end were £5.5 million (31 October 2020: £4.6 million). The capital adequacy ratio as at 30 April 2021 was 221% (31 October 2020: 249%).

The Group holds surplus capital on its balance sheet and continually assesses this position throughout the year.

## Current trading and outlook

Following on from the strong performance in the period under review, trading in the second half of this financial year has continued to be very encouraging. We have completed one IPO and three secondary equity fundraisings (raising a cumulative £35 million) and have a good pipeline of transactions in the pipeline, including some sizeable equity fundraisings and a number of M&A transactions. Market sentiment remains positive and the trading environment remains favourable.

We remain confident of delivering a profitable result for the year as a whole, the scale of which will be determined by the delivery of these pipeline deals.

I would like to thank all our clients and shareholders for their continued support and to express the appreciation of the entire Board for the considerable hard work and commitment of our staff.

Donald Brown  
Chief Executive Officer  
30 June 2021

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 April 2021

	Note	Six months ended 30 April 2021 Unaudited £'000	Six months ended 30 April 2020 Unaudited £'000	Year ended 31 October 2020 Audited £'000
Revenue	2	5,026	2,305	5,929
Operating expenses	3	(4,040)	(3,806)	(7,105)
Expected credit loss	3	(40)	(32)	(210)
Profit/(loss) from operations		946	(1,533)	(1,386)
Finance income		2	15	44
Finance cost		(8)	(9)	(14)
Profit/(loss) before tax		940	(1,527)	(1,356)
Income tax		(1)	(2)	(2)
Profit/(loss) after tax attributable to equity holders of the parent		939	(1,529)	(1,358)
Total comprehensive income for the period		939	(1,529)	(1,358)
Profit/(loss) per share				
Basic	4	3.5p	(5.7p)	(5.0p)
Diluted	4	3.3p	(5.7p)	(4.7p)

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION  
At 30 April 2021

	At 30 April 2021 Unaudited £'000	At 30 April 2020 Unaudited £'000	At 31 October 2020 Audited £'000
<b>Assets</b>			
Non-current assets			
Plant, property and equipment	72	79	71
Right of use assets	614	332	164
Deferred tax asset	-	-	-
<b>Total non-current assets</b>	<b>686</b>	<b>411</b>	<b>235</b>
Current assets			
Financial assets designated at fair value through P&L	3,234	1,606	1,955
Trade and other receivables	3,179	2,963	2,464
Collateral deposits	10	620	48
Cash and cash equivalents	3,112	2,383	2,400
<b>Total current assets</b>	<b>9,535</b>	<b>7,572</b>	<b>6,867</b>
<b>Total assets</b>	<b>10,221</b>	<b>7,983</b>	<b>7,102</b>
Current liabilities			
Financial liabilities held at fair value	(411)	(1,131)	(149)
Trade and other payables	(3,738)	(2,057)	(2,199)
Lease liabilities	(326)	(283)	(66)
<b>Total current liabilities</b>	<b>(4,475)</b>	<b>(3,471)</b>	<b>(2,414)</b>
Non-current liabilities			
Lease liabilities	(243)	-	(52)
<b>Total non-current liabilities</b>	<b>(243)</b>	<b>-</b>	<b>(52)</b>
<b>Total liabilities</b>	<b>(4,718)</b>	<b>(3,471)</b>	<b>(2,466)</b>
<b>Net assets</b>	<b>5,503</b>	<b>4,512</b>	<b>4,636</b>
<b>Equity:</b>			
Called up share capital	3,338	3,338	3,338
Share premium account	6,691	6,691	6,691
Employee Benefit Trust reserve	(282)	(974)	(182)
Capital redemption reserve	700	700	700
Retained earnings	(3,502)	(3,801)	(4,469)
<b>Total equity before deduction of own shares</b>	<b>6,945</b>	<b>5,954</b>	<b>6,078</b>
Own shares	(1,442)	(1,442)	(1,442)
<b>Total equity</b>	<b>5,503</b>	<b>4,512</b>	<b>4,636</b>

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended 30 April 2021

	Six months ended 30 April 2021 Unaudited £'000	Six months ended 30 April 2020 Unaudited £'000	Year ended 31 October 2020 Audited £'000
Operating activities before tax			
Profit/(loss) from ordinary activities before tax	940	(1,527)	(1,356)
Adjustments for:			
Fair value adjustments of derivative financial assets	(260)	42	(252)
Depreciation charges	197	202	403
Net interest receivable	(2)	(15)	(44)
Net interest paid	8	9	14
Share based payments	28	(17)	147
Operating cash flow before changes in working capital	911	(1,306)	(1,088)
(Increase)/decrease in operating assets	(2,390)	675	1,691
Increase/(decrease) in operating liabilities	2,379	685	(139)
Cash generated from operations	900	54	464
Income taxes paid	(1)	-	-
Net cash flows from operating activities	899	54	464
Investing activities			
Purchases of property, plant and equipment	(30)	(3)	(26)
Interest received	2	15	44
Net cash from investing activities	(28)	12	18
Financing activities			
Payment of lease liability	(51)	(212)	(395)
Net interest paid on lease liabilities	(8)	(9)	(14)
Purchase of own shares	(100)	-	(211)
Net cash flows from financing activities	(159)	(221)	(620)
Increase/(decrease) in cash and cash equivalents	712	(155)	(138)
Net cash and cash equivalents at the beginning of the period	2,400	2,538	2,538
Net cash and cash equivalents at the end of the period	3,112	2,383	2,400

## CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 April 2021

	Share capital £'000	Share Premium account £'000	Capital Redemption Reserve £'000	Own shares £'000	Employee Benefit Trust Reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 October 2019 (audited)	3,338	6,691	700	(1,442)	(974)	(2,255)	6,058
Loss for period	-	-	-	-	-	(1,529)	(1,529)
Total comprehensive loss for the period	-	-	-	-	-	(1,529)	(1,529)
Contributions by and distributions to owners							
Share based payments	-	-	-	-	-	(17)	(17)
Balance at 30 April 2020	3,338	6,691	700	(1,442)	(974)	(3,801)	4,512
Profit for the period	-	-	-	-	-	171	171
Total comprehensive income for the period	-	-	-	-	-	171	171
Contributions by and distributions to owners							
Purchase of EBT shares	-	-	-	-	(211)	-	(211)
Distribution of EBT shares	-	-	-	-	1,003	(1,003)	-
Share based payments	-	-	-	-	-	164	164
Balance at 31 October 2020 (audited)	3,338	6,691	700	(1,442)	(182)	(4,469)	4,636
Profit for period	-	-	-	-	-	939	939
Total comprehensive profit for the period	-	-	-	-	-	939	939
Contributions by and distributions to owners							
Purchase of EBT shares	-	-	-	-	(100)	-	(100)
Share based payments	-	-	-	-	-	28	28
Balance at 30 April 2021 (unaudited)	3,338	6,691	700	(1,442)	(282)	(3,502)	5,503



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1) Basis of preparation

As permitted under AIM listing rules, IAS 34, 'Interim Financial Reporting' has not been applied in this interim report.

The financial information presented in this report has been prepared using accounting policies that are expected to be applied in the preparation of the financial statements for the year ending 31 October 2021.

These policies are in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as endorsed for use in the European Union, and these principles are disclosed in the Financial Statements for the year ended 31 October 2020.

The financial information in this interim report does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

The Annual Report and Financial Statements for 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statement for 2019 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

#### Going concern

The Directors believe that, taking into account its available cash and liquid assets, the Group will have adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the continuing impact of COVID-19 on the Group, running various scenarios taking into account the impact of the pandemic to date and making various assumptions on the timing and extent of the pandemic's longer term impact on the Group's operations. The Directors are pleased to report that current trading is ahead of the upside scenario they prepared although they are very aware that this may not be an indicator of longer-term trends. Further certain assets have been realised into cash during the period. The combination of these exercises has reassured the Directors that the Group's liquid assets could be accessed at short notice should market conditions suddenly deteriorate. For this reason, they continue to believe it is appropriate to adopt the going concern basis in preparing the Financial Statements.

#### Accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as are applied in the Group's latest audited Report and Accounts for the year ended 31 October 2020.

### 2) Revenue

	Six months ended 30 April 2021 Unaudited £'000	Six months ended 30 April 2020 Unaudited £'000	Year ended 31 October 2020 Audited £'000
Equities division	1,323	(1,128)	(538)
Corporate Finance division	3,489	3,399	6,341
Wealth division	214	34	126
Total revenue	5,026	2,305	5,929

Services transferred at a point in time	3,962	1,055	3,590
Services transferred over a period of time	1,064	1,250	2,339
<b>Total revenue</b>	<b>5,026</b>	<b>2,305</b>	<b>5,929</b>

Included within revenue of the Equities Division is a profit of £803,000 (2020: Loss £1,415,000) derived from the equity trading operation.

Included within revenue of the Equities Division is a profit of £260,000 (2020: Loss £42,000) relating to the fair value adjustment of warrants held within assets that are fair valued through profit or loss.

### 3) Administrative expenses

	Six months ended 30 April 2021 Unaudited £'000	Six months ended 30 April 2020 Unaudited £'000	Year ended 31 October 2020 Audited £'000
Staff costs including incentive scheme	2,257	1,976	3,572
Other overheads	1,562	1,371	2,680
<b>Staff and overhead costs</b>	<b>3,819</b>	<b>3,347</b>	<b>6,252</b>
Expected credit loss	40	32	210
Share based payments	28	(17)	147
Depreciation	193	203	403
Redundancy and restructuring costs	-	273	303
<b>Total administrative expenses</b>	<b>4,080</b>	<b>3,838</b>	<b>7,315</b>

### 4) Earnings/(loss) per share

The basic earnings per share of 3.5p (2020: loss per share of 5.7p) is calculated on a profit after tax of £939,000 (2020: loss after tax of £1,529,000) and a weighted average number of ordinary shares in issue during the period (less shares held in Treasury and by the Arden Partners Employee Benefit Trust) of 26,753,272 (2020: 26,763,511). For the year to 31 October 2020, the basic loss per share of 5.0p is calculated on a loss after tax of £1,358,000 and a weighted average number of ordinary shares in issue during the year (less shares held in Treasury and by the Arden Partners Employee Benefit Trust) of 27,308,302.

Diluted earnings per share takes account of the 1,676,219 weighted average number of outstanding options. In the prior period the basic loss per share has not been so adjusted as the impact of the weighted average outstanding share options would be to decrease the loss per share.

The underlying diluted earnings per share for the six months ended 30 April 2021 of 3.3p (2020: loss per share of 4.7p) is calculated on a profit after tax of £967,000 (2020: loss after tax of £1,273,000) being the profit after tax, adjusted for the effect of IFRS 2 costs of £28,000 (2020: credit of £17,000) and redundancy and restructuring costs of £Nil (2020: £273,000). The underlying diluted loss per share for the year to 31 October 2020 of 4.9p is calculated on a loss after tax of £1,358,000 being the loss after tax, adjusted for the effect of IFRS 2 costs of £147,000.

## INDEPENDENT REVIEW REPORT TO ARDEN PARTNERS PLC

### Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2021 which contains the Consolidated Condensed Statement of Comprehensive Income, Consolidated Condensed Statement of Financial Position, Consolidated Condensed Statement of Cash Flows and Consolidated Condensed Statement of Changes in Equity.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

### Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

### Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2020 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

### Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London  
30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).