16 June 2025

Peel Hunt Limited

Full-Year Results for the year ended 31 March 2025

Improved revenue performance in challenging markets

Peel Hunt Limited ("Peel Hunt" or the "Company") together with its subsidiaries (the "Group") today announces audited results for the year ended 31 March 2025 ("FY25").

Steven Fine, Chief Executive Officer, said:

"In challenging markets, we have delivered an improved revenue performance through our continued focus on diversifying our business and being a trusted advisor to high-quality clients.

Ongoing uncertainty continued to weigh on equity capital markets activity during the period, driven by geopolitical risks, elections, stagflation fears and US trade tariffs. Our diversified offering meant we were able to support clients through these changing market conditions. Despite the backdrop, we achieved some significant milestones during FY25; acting on the most successful European IPO of the year and on our largest M&A transaction to date, as well as taking the retained corporate client base to 52 FTSE 350 companies, including five FTSE 100 companies.

As we continue to make strategic progress, we enter our next financial year well positioned. In the year ahead we will continue to build the business and drive further efficiencies as we target sustained profitability."

Highlights

- Overall performance
    - Revenue for FY25 increased approximately 6% year-on-year to £91.3m (FY24: £85.8m), despite ongoing low levels of equity capital markets (ECM) activity
    - During the year we took action to reduce costs following a thorough review of our business needs and strategic priorities. We will continue to pursue efficiencies and target sustained profitability
    - The Group produced a loss before tax (LBT) of £3.5m (FY24: LBT £3.3m), due to an increase in our costs, predominantly from exceptional Group restructuring costs. On an adjusted basis[1] the Group was profitable with a profit before tax of £0.8m (FY24: adjusted LBT £2.7m)
- Strong balance sheet
    - Net assets of £88.7m and cash balances of £20.4m
    - Capital base remains comfortably in excess of minimum regulatory requirements
- Business division performance
    - **Investment Banking** revenue was £31.5m (FY24: £32.6m), reflecting resilience in the face of challenging markets and continuing low levels of ECM activity. Despite these conditions, our M&A Advisory business continues to go from strength to strength, with a significant portion of Investment Banking deal fees coming from M&A in FY25. Whilst we have seen a number of

[1] Adjusted profit/(loss) before tax is a non-statutory measure, which shows the underlying performance of the Group less share-based payment charges and exceptional items

client reductions, these were substantially due to M&A activity, and we successfully added 17 new clients. As of 31 March 2025, we acted for 147 corporate clients, of which 52 are in the FTSE 350 (five FTSE 100 and 47 FTSE 250)

  - **Execution Services** revenue increased to £33.7m (FY24: £29.6m), due to our position as a highly valued liquidity provider to our clients, as well as increased trading volumes. We continue to maintain a leading trading position despite the competitive environment

  - **Research & Distribution** revenue increased to £26.1m (FY24: £23.6m). The increase was driven by the further expansion of our low-touch electronic trading offering, as well as higher returns from our core trading desk

- Strategic progress

  - Our corporate client base continued to evolve in FY25, with the average market capitalisation of our retained clients, which includes many exciting growth companies, increasing by 15.6% to £869.3m. The aggregate market capitalisation of our clients also rose by 12.6%, surpassing £125bn

  - Despite the low levels of ECM activity, Peel Hunt acted on two of the three prominent London market IPOs in the period. In addition, we advised on 15% of UK public M&A deals, reinforcing our reputation as a leading UK mid-market financial adviser

  - We made significant progress to enhance our distribution platform in terms of product and geographical distribution capability:

    - Our electronic trading platform continues to broaden its client base across Europe, resulting in its highest revenue recorded

    - Launch of our economics product including the hire of our Chief Economist - providing insightful macro-economic analysis alongside our corporate coverage

    - Strategic investment in our global distribution capabilities - we successfully expanded our European office product offering in FY25. After receiving regulatory approval in principle in May, preparations are underway to establish an office in Abu Dhabi

  - RetailBook, the comprehensive retail access platform for capital markets transactions, originally created by Peel Hunt, reached several key milestones in FY25 – completing a number of successful fundraises, hiring key personnel from the former capital markets team of PrimaryBid, and achieving operational independence from the Group

- The increasing rate at which companies are exiting the London market presents a significant challenge for the UK economy. Peel Hunt remains at the forefront of the reform agenda, championing solutions to revitalise UK equity markets. Numerous policy initiatives are already in progress, and we are leveraging our connectivity to drive further advancements

Outlook

Following the challenging market conditions of February and March, FY26 has started more positively, with the Trump administration agreeing a number of trade deals, including with the UK, and with interest rates having been cut by the Bank of England. We are seeing a rotation out of US assets into Europe and greater institutional positivity towards the UK. ECM activity in the UK remains generally subdued but could gain traction should macroeconomic conditions continue to stabilise. Meanwhile our M&A franchise remains highly active with a strong pipeline of transactions.

Financial and operating highlights

Financial highlights	2025	2024	Change
Revenue	£91.3m	£85.8m	6.4%
Loss before tax	£(3.5m)	£(3.3m)	6%
Adjusted profit/(loss) before tax(1)	£0.8m	£(2.7)m	129.6%
Basic EPS	(2.3)p	(2.7)p	14.8%
Dividend	-	-	-
Compensation ratio	60.8%	59.0%	1.8ppts
Adjusted compensation ratio	56.7%	58.3%	(1.6)ppts

Operating highlights	2025	2024	Change
Cash	£20.4m	£37.9m	(46.2)%
Net assets	£88.7m	£91.8m	(3.4%)
Corporate clients	147	150	(2%)
Average market cap of clients	£869.3m	£752.3m	15.6%

Note:
(1) Adjusted profit/(loss) before tax is a non-statutory measure, which shows the underlying performance of the Group less share-based payment charges and exceptional items. Share-based payment charges for the year were £1.7m (FY24: £0.6m) with exceptional items including staff restructuring costs of £2.0m, and impairment of associate of £0.5m, totalling £4.2m (FY24: £0.6m). The £0.5m impairment of associate is disclosed within the share of loss of associate line in the statement of comprehensive income.

Peel Hunt: via Sodali & Co
Steven Fine, CEO

Sodali & Co (Financial PR): +44 (0)20 7100 6451
Justin Griffiths
Gilly Lock
Russ Lynch
peelhunt@sodali.com

Grant Thornton UK LLP (Nominated Adviser): +44 (0)20 7383 5100
Philip Secrett
Colin Aaronson
Elliot Peters

Keefe, Bruyette & Woods (Corporate Broker): +44 (0) 20 7710 7600
Alistair McKay
Alberto Moreno Blasco
Fred Walsh

Notes to editors

About Peel Hunt
Peel Hunt is a leading UK investment bank that specialises in supporting mid-cap and growth companies. It provides integrated investment banking advice and services to UK corporates, including equity capital markets, private capital markets, M&A, debt advisory, investor relations and corporate broking. The Company's joined up approach combines these services with expert research and distribution and an execution services hub that provides liquidity to the UK capital markets, delivering value to global institutions and trading counterparties alike. The Company is admitted to trading on AIM (LON: PEEL) and has offices in London, New York and Copenhagen.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements sometimes use words such as 'may', 'will', 'could', 'seek', 'continue', 'aim', 'anticipate', 'target', 'project', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Past performance is no guide to future performance and any forward-looking statements and forecasts are based on current expectations and *assumptions but relate to events and depend upon circumstances in the future and you should not place reliance on them. These statements and forecasts are subject to various risks and uncertainties and there are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts.*

The forward-looking statements contained in this document speak only as of the date of this announcement and (except as required by applicable regulations or by law) Peel Hunt does not undertake to publicly update or review any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement constitutes or should be construed as constituting a profit forecast.

No offer of securities

The information, statements and opinions contained in this announcement do not constitute or form part of, and should not be construed as, any public offer under any applicable legislation, or an offer, or solicitation of an offer, to buy or sell any securities or financial instruments in any jurisdiction, or any advice or recommendation with respect to any securities or financial instruments.

OPERATING AND FINANCIAL REVIEW

Group revenue performance

The Group's revenue of £91.3m (FY24: £85.8m) represents year-on-year growth of 6.4% driven largely by a strong revenue performance in Execution Services, which grew by 13.6%. Investment Banking revenue decreased by 3.2% while Research & Distribution revenue increased by 10.5%. These results reflect the improved macroeconomic environment and an uptick in UK equity capital markets activity during the first five months of the year. However, the rest of the year was affected by economic and geopolitical uncertainty which continued to affect investor sentiment. This directly impacted our revenue opportunities in Investment Banking and Research & Distribution.

Group revenue comprises the following:

	FY25 £'000	FY24 £'000	% Change
Investment Banking revenue	31,526	32,567	(3.2)
Execution Services revenue	33,673	29,638	13.6
Research & Distribution revenue	26,108	23,629	10.5
Total revenue for the year	91,307	85,834	6.4

Our joined-up banking model, which merges expert advice, high-quality research, extensive distribution networks, and a significant market share in trading volumes, keeps us well positioned for future growth opportunities. Our focus on sector specialisation and continuous, targeted investments in our business areas, including our workforce and technology, are crucial in achieving our strategic priorities.

Investment Banking

	FY25 £'000	FY24 £'000	% Change
Investment Banking fees	22,890	23,795	(3.8)
Investment Banking retainers	8,636	8,772	(1.6)
Investment Banking revenue	**31,526**	**32,567**	**(3.2)**

Challenging market conditions, with historically low levels of ECM activity in the UK markets, and companies continuing to transact much less frequently than normal, have persisted. Despite this backdrop, our diversified investment banking model has allowed us to support our clients consistently, acting in partnership as trusted financial advisers, irrespective of the economic uncertainty.

While IPO market activity remained low, we acted on two of the three prominent London market IPOs in the period, including a standout IPO in the UK, based on performance. We have also expanded our IPO origination capabilities through a collaboration with Santander. This involves focusing on companies with whom they have a strong relationship and that may see a UK IPO as the next stage of their journey. Combining the respective capabilities and expertise of our two firms can deliver a powerful and differentiated service for these companies.

In terms of wider ECM activity, we have successfully worked on a number of block trades, in both client-related sell-downs and non-client situations. Our ability to find buyers for significant blocks of shares, in spite of the highly challenging environment for listed market investors, is testament to our distribution capabilities in the UK and internationally.

We have also continued to expand our advisory service offering – notably in M&A – providing strategic and financial advice to boards throughout the company lifecycle. Collaboration between our advisory and sector teams, and our leading market intelligence, positions us well to provide cohesive and well-informed advice to our clients involved in M&A activities. As a result, we have increased our market share in M&A transactions, placing us third in UK plc M&A deals since the start of 2024, with only global investment banks ranking higher than us.

We continue to evolve our corporate client base, increasing the aggregate market capitalisation of our clients by £14.1bn to £126.9bn and winning a number of major new corporate mandates. We now act for 147 clients, with five in the FTSE 100 and 47 (FY24: 42) in the wider FTSE 250. This client growth contrasts with the wider market, where net client numbers are currently in decline because of reductions in the overall number of listed companies. Meanwhile, the opportunities for our firm are accelerating as a result of consolidation and closure among our competitors in the UK investment banking landscape.

The ongoing market challenges have prompted some changes in our team this year, including hiring new talent. Our sector and advisory teams remain well-resourced with dynamic, experienced individuals, supported by a strong cohort of more junior talent. Together, it means that our investment banking team is stronger than ever, allowing us to provide consistent quality to our corporate clients.

Looking ahead, we will continue to diversify our revenue streams in a methodical and measured way, building into private company transactions as well as public market ones, and further expanding our market share across the lifecycle of our clients. We will continue to provide trusted strategic and financial advice to our corporate clients and build out our connectivity to a wider audience of both companies and investors.

Execution Services

	FY25 £'000	FY24 £'000	% Change
Execution Services revenue	33,673	29,638	13.6

Our Execution Services team has performed well this year. This is despite the continued subdued market environment that has been affected by key geopolitical events, including the UK election in July 2024 and budget in October 2024. Revenues increased by 13.6% to £33.7m (FY24: £29.6m). Alongside these events, there was also a marked increase in competition within our liquidity pools, with new entrants competing for revenue share.

The rising trend in global trading flows has contributed to the further 'de-equitisation' of the UK markets, with companies continuing to de-list. Whilst a challenging trading environment to operate in, we remain a valued business partner for those wishing to deal in the UK markets. Our bespoke solutions are highly valued, and our proprietary trading intelligence tool, Peel Hunt Automated Trading (PHAT), continues to deliver fast access to liquidity.

This has helped our team continue to strengthen our LSE market trading position, where we are a significant market counterparty. We have also expanded our capabilities and increased the number of counterparties we transact with, while continuing to adapt to the evolving execution environment. Our diverse liquidity offering, with its suite of trading strategies and products across a number of platforms, is helping us achieve our strategic objective to extend our leading liquidity position.

The quality and experience of our people means that we have developed a culture of controlled risk management which supports our financial resilience, despite increased market competition.

Technology is a major enabler for our business, enhancing our connectivity to markets and trading products. Our dedicated Technology team works closely with our traders to provide access to incremental liquidity opportunities. We continue to build tech-driven solutions to strategically diversify our offering, and enhance our proprietary trading platform, which allows us to rapidly access liquidity pools. This agility and access is a true differentiator for our business.

Looking forward, our priority remains to further diversify our trading strategies. We will continue to invest in our people and technology to maintain our leading market position and ensure the long-term success of the business.

Research & Distribution

	FY25 £'000	FY24 £'000	% Change
Research payments and execution commission	**26,108**	**23,629**	**10.5**

Our business has remained resilient, despite the continued difficult market conditions, characterised by depressed ECM activity and consistent fund outflows from UK equities. Revenue from research payments, execution commission and core trading was up 10.5% at £26.1m (FY24: £23.6m).

The strength and depth of our research and business knowledge is a result of our commitment to UK plc, and sets us apart from our competitors. Through our high-quality research and international distribution – with expanded access into broader and deeper investment pools – we now have more than 500 trading relationships across multiple countries. Our comprehensive market intelligence is invaluable for our institutional and corporate clients alike, with our corporate clients consistently outperforming the wider market.

Our talented people are the bedrock of our business. Our consistent focus on the long-term future of our business helps us attract and retain top talent. They recognise that our growing market share and evolving client base puts us in an excellent position to accelerate out of the market downturn. Based in London, New York and Copenhagen, our teams have deep experience and a reputation for excellence and consistency, which have helped expand our high-quality client list.

We are committed to growing our research coverage and market intelligence, which is why, in FY25, we appointed our first Chief Economist. He brings a wealth of experience and regularly engages with company boards, policymakers and regulators. Meanwhile, our reputation and impact in the market has been enhanced by our immensely popular suite of podcasts and multimedia products, bringing leading voices, such as company CEOs and industry thinktanks, to a wider audience. Our access to industry experts continues to grow, as does our influence with government and regulators.

We have continued to use our growing reputation as a leading UK-focused investment bank to champion the revitalisation of UK capital markets, sharing our ideas via thought leadership pieces on our website and engaging with government policymakers to enhance economic growth in the UK.

Meanwhile, we continue to make careful strategic investments to advance our position as a distribution powerhouse. With our new Copenhagen office having successfully expanded our European distribution capabilities, we also plan to open an office in the Middle East, for which we have received regulatory approval in principle. Establishing a full-time presence in the region will enable us to increase our international access and deepen our liquidity reach.

Technology remains a focal point for our business; we have developed artificial intelligence tools to help our analysts access greater insight from our large database of research.

Our focus in the upcoming year remains the same: continuing to make strategic progress to expand our access to deep pools of investment capital, both in the UK and internationally, supported by our offices in the UK, Europe, North America and, soon, in the Middle East.

Other financial information

	FY25 £'000	FY24 £'000	% Change
Staff costs	55,490	50,643	9.6
Non-staff costs	38,401	37,399	2.7
Total administration costs	93,891	88,042	6.6
Compensation ratio	60.8%	59.0%	1.8ppts
Period-end headcount	287	303	(5.3)
Average headcount	298	309	(3.6)
Adjusted staff costs[1]	51,755	50,043	3.4
Adjusted admin costs[1]	90,156	87,442	3.1
Adjusted compensation ratio[1]	56.7%	58.3%	(1.6)ppts

[1]Adjusted staff costs and adjusted admin costs is a measure calculated as staff costs or admin costs less share-based payment charges of £1.7m (FY24: £0.6m) and exceptional items amounting to £2.0m (FY24: £nil) respectively. "Exceptional items" relate to staff restructuring costs of £2.0m.

During the year we have been focused on the long-term success of the Group and ensuring the business is operating efficiently. As a result, we have reduced staff costs during the year through headcount reductions to support the business in moving towards profitability throughout the cycle. This led to our average headcount decreasing by 3.6% compared to prior year. However, staff costs were 9.6% higher than FY24 mainly due to exceptional Group restructuring costs and share-based payment charges of £3.7m (FY24: £0.6m).

Despite the macroeconomic challenges, we have continued to target investment in talent in line with our strategic priorities. This includes key senior hires in our Investment Banking and European teams, who are already helping to drive greater revenue opportunities, as well as salary increases and long-term share awards to retain our talent.

Whilst inflationary costs from suppliers have increased non-staff costs during the year, we are focused on minimising these where possible, such as those from technology providers. We anticipate that this will lead to reductions in non-staff costs in FY26. In FY25 we have also seen the full cost impact of the Copenhagen office following its set-up in FY24, and a full year's worth of costs for the electronic trading desk, which was operational for the whole of FY25. Both our staff costs and non-staff costs also include the full costs of RetailBook, our subsidiary until May 2025, which was fully operational in FY25.

As we navigate the uncertain market conditions, we continue to focus on our strategic priorities and monitor costs so that we are best positioned to capitalise on future opportunities for growth.

Profit and loss

Although we had growth in revenue from FY24, this has been offset with a rise in our costs leading to a loss before tax of £3.5m (FY24: £3.3m), and an adjusted profit before tax of £0.8m (FY24: £(2.7)m), which excludes exceptional items and share-based payments.

EPS improved by 14.8% to (2.3)p per share (2024: (2.7)p).

Strategic investments

Our investment in RetailBook was diluted in FY25 from 56.6% to 51.5% following a fundraise of £0.5m. Following the year end, the Group's investment was further diluted to below 50% due to an external fundraise. A number of key senior hires were made in Q4 FY25 as part of a wider accelerated growth plan.

Our European platform has been fully operational for the entire financial year. The Copenhagen office has strengthened our distribution capability, facilitating the distribution of research, the trading of shares, and the promotion of investment banking deals into the region. Combined, these capabilities provide significant liquidity to investors, better insights to corporate clients and further grows Peel Hunt's business.

We are in the process of setting up a small office in Abu Dhabi to cover the Middle Eastern region. We submitted the regulatory application in early FY26 and are aiming for the office to be operational later in the year.

We have fully impaired our £0.54m investment in Peel Hunt Fintech Ventures LLP, an associate of the Group, due to the continued challenging market conditions contributing to delays for the first fund close for FinTech Growth Fund.

We continue to invest in technology which is central to our business growth plans, driving efficiencies and competitive advantage as we leverage our talent pool across the Group.

<u>Balance sheet</u>

The Group's net asset position as at 31 March 2025 remains strong at £88.7m (31 March 2024: £91.8m). We have continued to focus our attention on maintaining a healthy financial position by carefully managing costs, making cost-efficient investments and growing revenue so that we are best positioned to take advantage of market opportunities as the macroeconomic environment improves.

As required by accounting rules, the company carried out the impairment assessment in its investments in subsidiaries and associates held on its balance sheet after the year end. Following this assessment the associate investment in Peel Hunt Fintech Ventures LLP was fully impaired.

<u>Capital and liquidity</u>

Our cash position decreased to £20.4m as at 31 March 2025 from £37.9m as at the end of 31 March 2024, which included a £15.0m Revolving Credit Facility (RCF) drawdown which was repaid during the year.

We made a scheduled loan repayment of £6.0m during the year reducing our long-term debt to £9.0m (31 March 2024: £15.0m). We have occasionally used our £20.0m RCF with Lloyds Bank and £10.0m Santander overdraft facility during the year, supporting our clients' large trades generating revenue for the Group. As at 31 March 2025, the RCF and overdraft facility were undrawn.

In June 2024, we partnered with BNP Paribas SA to allow us to settle our trades more effectively from FY26 to ensure we use the Group's funding more efficiently.

Our own funds coverage over net assets was 417% as at 31 March 2025 (31 March 2024: 532%). The decrease was a result of maintaining risk exposures and a decrease in net assets. We continue to operate well in excess of our minimum regulatory capital requirements.

<u>Dividend</u>

The Board is not proposing a dividend in respect of FY25.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

Audited for the year ended 31 March 2025

Continuing activities	Note	**Consolidated Year ended 31 March 2025 £'000**	Consolidated Year ended 31 March 2024 £'000
Revenue	2	**91,307**	85,834
Administrative expenses		**(93,891)**	(88,042)
Loss from operations		**(2,584)**	(2,208)
Finance income	4	**1,495**	1,117
Finance expense	4	**(2,105)**	(2,244)
Other income		**235**	115
Operating loss for the year		**(2,959)**	(3,220)
Share of loss from associate		**(538)**	(42)
Loss before tax for the year		**(3,497)**	(3,262)
Tax	5	**(83)**	61
Loss for the year		**(3,580)**	(3,201)
Other comprehensive income/(expense) for the year		**-**	-
Total comprehensive expense for the year		**(3,580)**	(3,201)
Attributable to:			
Owners of the Company		**(2,728)**	(3,201)
Non-controlling interests		**(852)**	-
Loss for the year		**(3,580)**	(3,201)
Attributable to:			
Owners of the Company		**(2,728)**	(3,201)
Non-controlling interests		**(852)**	-
Total comprehensive expense for the year		**(3,580)**	(3,201)
Loss per share – attributable to owners of the Company			
Basic	8	**(2.3)p**	(2.7)p
Diluted	8	**(2.3)p**	(2.7)p

Consolidated Statements of Financial Position

Audited as at 31 March 2025

Company Number – 65579	**Consolidated As at 31 March 2025 £'000**	Consolidated As at 31 March 2024 £'000
ASSETS		
Non-current assets		
Property, plant and equipment	**5,715**	6,555
Intangible assets	**1,658**	1,901
Investment in associates	**-**	538
Right-of-use assets	**12,069**	13,741
Deferred tax asset	**472**	409
Total non-current assets	**19,914**	23,144
Current assets		
Securities held for trading	**68,539**	60,104
Market and client debtors	**496,029**	551,943
Trade and other debtors	**20,042**	19,613
Cash and cash equivalents	**20,395**	37,929
Total current assets	**605,005**	669,589
LIABILITIES		
Current liabilities		
Securities held for trading	**(53,770)**	(35,305)
Market and client creditors	**(447,146)**	(508,980)
Trade and other creditors	**(8,859)**	(7,280)
Revolving credit facility	**-**	(15,000)
Lease liabilities	**(2,983)**	(2,956)
Long-term loans	**(6,000)**	(6,000)
Provisions	**(611)**	(708)
Total current liabilities	**(519,369)**	(576,229)
Net current assets	**85,636**	93,360
Non-current liabilities		
Long-term loans	**(3,000)**	(9,000)
Lease liabilities	**(13,833)**	(15,754)
Total non-current liabilities	**(16,833)**	(24,754)
Net assets	**88,717**	91,750
EQUITY		
Ordinary share capital	**40,099**	40,099
Other reserves	**47,895**	50,076
Total shareholders' equity	**87,994**	90,175
Non-controlling interests	**723**	1,575
Total equity	**88,717**	91,750

Consolidated Statement of Changes in Equity

Audited for the year ended 31 March 2025

Group	Ordinary share capital £'000	Other reserves £'000	Total shareholders' equity £'000	Non- controlling interest £'000	Total equity £'000
Balance as at 1 April 2023	**40,099**	**53,047**	**93,146**	**-**	**93,146**
Loss for the year	-	(3,201)	(3,201)	-	(3,201)
Other comprehensive income	-	-	-	-	-
Total comprehensive expense	-	(3,201)	(3,201)	-	(3,201)
Transactions with owners					
Equity-settled share-based payments reserve	-	688	688	-	688
Purchase of Company shares	-	(458)	(458)	-	(458)
Transaction with non-controlling interests	-	-	-	1,575	1,575
Balance as at 31 March 2024	**40,099**	**50,076**	**90,175**	**1,575**	**91,750**
Loss for the year	-	(2,728)	(2,728)	(852)	(3,580)
Other comprehensive income	-	-	-	-	-
Total comprehensive expense	-	(2,728)	(2,728)	(852)	(3,580)
Transactions with owners					
Equity-settled share-based payments reserve	-	1,521	1,521	-	1,521
Purchase of Company shares	-	(974)	(974)	-	(974)
Balance as at 31 March 2025	**40,099**	**47,895**	**87,994**	**723**	**88,717**

Consolidated Statements of Cash Flows

Audited for the year ended 31 March 2025

	Note	Consolidated Year ended 31 March 2025 £'000	Consolidated Year ended 31 March 2024 £'000
Net cash generated from operations	10	**9,601**	7,027
Cash flows from investing activities			
Investment in associates		**-**	(580)
Purchase of property, plant and equipment		**(583)**	(76)
Disposal of property, plant and equipment		**2**	-
Purchase of intangible assets		**(283)**	(1,078)
Net cash used in investing activities		**(864)**	(1,734)
Cash flows from financing activities			
Interest paid		**(1,404)**	(1,435)
Lease liability payments		**(3,402)**	(3,456)
Purchase of Company shares		**(974)**	(458)
Non-controlling interests		**-**	1,575
Disposal of equity in a subsidiary investment		**9**	-
RetailBook fundraising proceeds		**500**	-
(Repayment)/drawdown from the revolving credit facility		**(15,000)**	15,000
Repayment of long-term loan		**(6,000)**	(6,000)
Net cash used in financing activities		**(26,271)**	5,226
Net (decrease)/increase in cash and cash equivalents		**(17,534)**	10,519
Cash and cash equivalents at beginning of period		**37,929**	27,410
Cash and cash equivalents at the end of the year		**20,395**	37,929

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

Peel Hunt Limited (the Company) is a non-cellular company limited by shares having admitted its shares for trading on AIM, a market operated by the London Stock Exchange plc, on 29 September 2021. The Company is registered in Guernsey. Its registered office is Mont Crevelt House, Bulwer Avenue, St Sampson, Guernsey GY2 4LH. The consolidated financial statements of the Company comprise the Company and its subsidiaries, together referred to as the Group.

The financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except where indicated otherwise.

The financial information has been prepared on the historical cost basis, except for derivatives and financial assets and liabilities which are valued at fair value through profit and loss (FVTPL). Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Going concern
The Group's principal activities are Investment Banking, Research & Distribution and Execution Services in UK mid-cap and growth companies to institutional clients, wealth managers and private client brokers.

The Directors have assessed the Group's projected business activities and available financial resources together with a detailed cash flow forecast for the next 18 months from the date these financial statements were approved. The Directors have used base case and severe but plausible scenarios to perform the going concern assessment.

The base scenario assumes:

- Long-term sustainable growth of the Group as approved by the Board in the Group's five-year business plan
- Moderate inflationary increases on all cost categories
- Continued strategic investment in the Group, particularly in relation to technology and further diversification in our revenue

The severe but plausible downside scenario assumes:

- Worsening of the economic climate from the current historic low levels, continuing to keep capital market activity low and trading volumes reduced
- An operational event occurs reducing profitability and cash
- Management continues to rationalise costs where possible

The results of the scenario analyses consider the impact on profitability, cash, liquid assets, regulatory capital and covenant requirements. The severe but plausible downside scenario also includes active management of the Group's liquid assets in order to ensure the Group's ability to repay its long-term loans as required, which would mitigate any potential covenant constraints. In view of the Group's available financial resources, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date these financial statements are approved and for the foreseeable future. The Group has a strong focus on working capital management to ensure the payment of the Group's liabilities as they fall due. There is also a focus on monitoring the regulatory capital resources and requirements of Peel Hunt LLP and the UK regulatory group to ensure that all regulatory capital and liquidity requirements and covenant requirements are met.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2025.

The new standards or amendments to IFRS that became effective and were adopted by the Group during the year had no material effect on the financial statements.

2. Revenue

	Year ended 31 March 2025 £'000	**Year ended 31 March 2024 £'000**
Research payments and execution commission	**26,108**	23,629
Execution Services revenue	**33,673**	29,638
Investment Banking fees and retainers	**31,526**	32,567
Total revenue for the year	**91,307**	85,834

3. Staff costs

	Year ended 31 March 2025 £'000	**Year ended 31 March 2024 £'000**
Wages and salaries	**46,450**	41,874
Social security costs	**5,923**	5,914
Pensions costs	**2,570**	2,741
Other costs	**547**	114
Total staff costs charged as an expense for the year	**55,490**	50,643

The average number of employees of the Group excluding RetailBook during the year decreased to 291 (31 March 2024: 308). Average number of employees for RetailBook during the year was 7 (31 March 2024: 1).

4. Net finance expense

	Year ended 31 March 2025 £'000	**Year ended 31 March 2024 £'000**
Finance income		
Interest received	**1,495**	1,117
Finance expense		
Interest paid	**(293)**	(85)
Interest on lease liabilities	**(712)**	(809)
Interest accrued on long-term loan	**(1,100)**	(1,350)

Finance expense for the year	**(2,105)**	(2,244)

Net finance expense for the year	**(610)**	**(1,127)**

5. Tax charge

The Group tax charge in the year ended 31 March 2025 includes a tax expense of £0.1m (31 March 2024: tax credit of £0.1m).

6. Non-controlling interest

The amount of non-controlling interest is measured at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets.

7. Statement of Financial Position items

(a) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful economic lives of each item.

(b) Intangible assets

Intangible assets represent internally generated intangible assets, computer software and sports debentures. Amortisation is charged to the income statement on a straight-line basis over the estimated useful economic lives of each item. Internally generated intangible assets are amortised over three years, computer software is amortised over five years and sports debentures are amortised over the life of the ticket rights.

Internally generated intangible assets comprise capitalised development costs for certain technology developments for key projects in the Group. The expenditure incurred in the research phase of these internal projects is expensed. Intangible assets are recognised from the development phase if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its costs can be reliably measured. Amortisation begins when the asset is available for use.

(c) Right-of-use asset and lease liabilities

The right-of-use asset and lease liabilities (current and non-current) represent the two property leases that the Group currently uses for its offices and car leases.

(d) Market and client debtors and creditors

The market and client debtor and creditor balances represent unsettled sold securities transactions and unsettled purchased securities transactions, which are recognised on a trade date basis. The majority of open bargains were settled in the ordinary course of business (trade date plus two days). Market and client debtor and creditor balances in these financial statements include agreed counterparty netting of £10.0m (31 March 2024: £10.2m).

(e) Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. The type of financial instruments held by the Group at 31 March 2025 are consistent with those held at the prior year end. The majority of financial instruments are classified as 'Level 1', with quoted prices in active markets.

(f) Stock borrowing collateral

The Group enters into stock borrowing agreements with a number of institutions on a collateralised basis. Under such agreements, securities are borrowed with a commitment to return them at a future date. The securities borrowed are not recognised on the statement of financial position. The cash pledged is recorded on the statement of financial position as cash collateral within trade and other debtors, the value of which is not significantly different from the value of the securities borrowed. The total value of cash collateral held on the statement of financial position is £2.4m (31 March 2024: £5.4m).

(g) Long-term loans

During the year, the Company repaid £3m of the Senior Facilities Agreement (SFA) scheduled principal repayments due in each of September 2024 and March 2025, reducing the outstanding balance to £9m (31 March 2024: £15m).

(h) Revolving credit facility

As at 31 March 2025, the £20.0m (31 March 2024: £30.0m) Revolving Credit Facility (RCF) was undrawn (31 March 2024: £15m) and £10.0m (31 March 2024: n/a) was undrawn (31 March 2024: n/a).

8. Loss per share

	Year ended 31 March 2025	**Year ended 31 March 2024**
Basic weighted average number of ordinary shares in issue during the year	**116,352,608**	117,069,636
Dilutive effect of share option grants	**10,363,476**	8,755,598
Diluted weighted average number of ordinary shares in issue during the year	**126,716,084**	125,825,234

Basic loss per share of (2.3) pence (31 March 2024: (2.7) pence) is calculated on total comprehensive expense for the year, attributable to the owners of the Company, of £(2.7)m (31 March 2024: £(3.2)m) and 116,352,608 (31 March 2024: 117,069,636) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The calculations exclude Company shares held by the Employee Benefit Trust on behalf of the Group.

The Company has 10,363,476 (31 March 2024: 8,755,598) of dilutive equity instruments outstanding as at 31 March 2025.

9. Post balance sheet event

Retail Book Holdings Limited (RBHL) raised £0.2m cash from various investors in an equity fundraise completed in April 2025. Another c.£4.0m was raised from investors in an equity funding round in May 2025. The proceeds will be used to fund the next stage of RetailBook's growth. The Group did not participate in these fundraisings, allowing RetailBook to pursue its strategy to be an independent industry utility and allowing our percentage shareholding to reduce.

Following completion of the above fundraisings, the Group's equity interest in RBHL has decreased to 40.6% resulting in loss of control; thus RBHL and Retail Book Limited (RBL) are no longer subsidiaries from 9 May 2025. Consequently, RBHL and RBL will no longer be consolidated in the financial statements of the Group from 09 May 2025 onwards. The assets and liabilities of RBHL and RBL will be derecognised (including non-controlling interests) and an investment in associate will be recognised in line with the Group Accounting policy. The Group still retains significant influence in the financial and operating decisions of RBHL and RBL.

10. Reconciliation of loss before tax to cash from operating activities

	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Loss before tax for the financial year	**(3,497)**	(3,262)
Adjustments for:		
Depreciation and amortisation	**4,429**	4,353
Expected credit loss on financial assets held at amortised cost	**(258)**	186
Impairment of investments in subsidiaries	**538**	-
Increase in provisions	**(97)**	131
Equity settled share-based payments – IFRS 2 charge	**1,521**	688
Revaluation of right-of-use asset and lease liabilities	**(22)**	33
Net finance expense	**610**	1,127
Change in working capital:		
Decrease/(increase) in net securities held for trading	**10,031**	(2,717)
(Increase)/decrease in net market and client debtors	**(6,152)**	6,588
(Increase) in trade and other debtors	**(403)**	(4,595)
Increase in trade and other creditors	**1,408**	3,049
Cash generated from operations	**8,108**	5,581
Interest received	**1,495**	1,117
Corporation tax (paid)/credit	**(2)**	329
Net cash generated from operations	**9,601**	7,027

END