

20 April 2023

Manolet Partners PLC
("Manolet" or the "Company")

Further Trading Update

Manolet Partners plc (AIM:MANO), the leading quoted UK insolvency litigation financing company, is pleased to provide the following additional update on trading for the year ending 31 March 2023 ("FY23").

This announcement follows on from our recent Trading Update dated 14 March 2023.

All figures contained in this announcement are subject to full audit.

1. Record New Case Investments

The final number of new case investments for FY23 was 263, 65% higher than the 159 new case investments for FY22. The FY23 number is the highest Manolet has ever recorded.

For H1 FY23, new case investments were only 6% higher than H1 FY22. For H2 FY23, new case investments were 122% higher than H1 FY22, as the UK insolvency market returned to more normal operating conditions following a two-year suppression of the market by the UK Government in response to the Covid-19 pandemic.

2. Record New Case Enquiries

For the full FY23, new case enquiries increased by 48% to a record high of 798 (FY22: 540), again driven by a particularly strong rise of 60% in H2 FY23 compared to H2 FY22.

3. Record Case Completions

In FY23 Manolet completed a record number of cases: 192 (FY22: 139 completed cases) representing an aggregate of £33.7m (FY22: £15.3m) legally binding settlements, together with a small number of favourable judgments. This record level of completed cases will drive cash income for the foreseeable future, as the Company collects in the cash owed by defendants on these matters.

4. Record Gross Cash Recoveries

In FY23, Manolet delivered record gross cash recoveries from previously completed cases of £26.7m, 72% higher than the £15.5m for FY22. The £26.7m is spread across 237 separate completed cases (FY22: 183) at an average of £113k per case (FY22: £85k).

For FY23, after all costs (including new case investments, taxation, dividends and interest), the Company generated £1.9m of net free cashflow compared to a net outflow of £4.4m for FY22.

5. Profit Estimate

Whilst subject to full audit, after a PBT loss of £(5.5)m for H1 FY23, the Company expects to report a PBT profit of £1.6m for H2 FY23. Consequently, the Board expects the PBT loss for the full year ended 31 March 2023 to be £(3.9)m.

Steven Cooklin, CEO, commented: "Having navigated through a very testing last two years due to the unique challenges of Covid-19, we are pleased to see the business drive back into profitability in the second half of FY23, driven by record numbers of new case enquiries, new case investments and case completions. Organic cash generation from previously completed cases also hit a record level in FY23 with gross cash of £26.7m and our best ever net cash generation. With the UK economy facing challenging macro headwinds, particularly high inflation and high interest rates, we expect our market to remain strongly buoyant for the foreseeable future."

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR").

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