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3 July 2023

Braveheart Investment Group plc
("Braveheart", the "Company" or the "Group")

Final Results for the year ended 31 March 2023

Braveheart Investment Group plc (AIM: BRH) announces its audited annual results for the financial year ended 31 March 2023, highlights of which are set out below:

- Earnings per share of 2.68 pence per share (2022: 4.02 pence per share)
- Strong technical and product development progress at Kirkstall, Paraytec and Phasefocus
- These strategic investments are now well positioned for growth in product, service and licence revenues

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CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to report to shareholders for the year ended 31 March 2023.

I became CEO of Braveheart in August 2015. An investor buying the shares at the then market price and selling them at the end of the 2023 financial year would have enjoyed a total return (compound annual growth rate "CAGR") of *28.59% pa. By comparison, over the same period for the AIM All-Share index**, the CAGR was less than 2% pa (in the USA the CAGR of the S&P500 was 13% and Berkshire Hathaway 14%). In the belief of the Directors, a total compound return of 29% per annum places Braveheart amongst the best performing UK listed investments during this period.

Our strategy is to invest shareholder funds in businesses that we believe possess specific characteristics capable of generating exceptional returns on disposal. The timing and price of such disposals is impossible to forecast, and the Board acknowledges that patience may be required of shareholders while waiting for events to unfold. Although convention requires your directors to offer guidance about the future, the reality is that your directors have no more idea about timing of realisations than anyone else. Where the directors do have control is in positioning the portfolio to maximise exposure to potentially positive events.

Strategic Investments Overview

Paraytec Limited (Braveheart owns 100% per cent of the company)

Paraytec develops high performance specialist detectors for the analytical and life sciences instrumentation markets. In addition, it has been undertaking a programme with the University of Sheffield to develop rapid tests ("CX300") for identifying pathogens, including viruses.

CX300 development programme and clinical study

As reported on 31 May 2023, the collection of patient specimens for the COVID-19 clinical study at Sheffield Teaching Hospitals NHS Foundation Trust was successfully completed. The data set has since been 'locked' and passed to the independent clinical statisticians. Paraytec is awaiting the findings of the statistical analysis and initial reporting of results, which had been agreed for end June, but due to delays at the clinical statistician service provider, are now expected in July 2023.

Paraytec's programme to apply the CX300 technology to a test for **therapid diagnosis of bacteraemia causing sepsis** is underway. An important element of this work has been to meet some of the UK's leading clinicians who design and implement the NHS treatment standards for the diagnosis and treatment of sepsis.

These meetings have concluded that the first target for Paraytec will be an instrument for the rapid detection of bacteria in a blood sample and if bacteria are present, to report whether these bacteria are classed as Gram-positive or Gram-negative. Differentiation between these two classes of bacteria is novel and invaluable to clinicians for a number of reasons: firstly, it will greatly help clinicians identify the likely source of the infection; secondly, different antibiotics are used to treat Gram-positive or Gram-negative bacteria, allowing clinicians to immediately target the best antibiotic

treatment; thirdly, this will reduce the use of broad spectrum antibiotics to treat patients, as this can cause the bacteria present to rapidly increase their antibiotic resistance, making it even more difficult to treat the patient.

Paraytec's novel CX300 technology can be a major tool in the sepsis threat to global health and, as previously reported, proof-of-concept is expected to be completed by the end of this year. Antibiotic Stewardship is a challenge to global health. It demands the responsible and strategic use of antibiotics to optimise patient outcomes, minimize the development of antibiotic resistance and preserve the effectiveness of these valuable drugs for future generations.

Other applications

The CX300 instrument is now CE marked for laboratory use and marketed for sale, details of which are on Paraytec's website, www.paraytec.com/cx-300/. Instruments are being produced and initially sales will be direct to customer by Paraytec's team. As volumes grow, the Company will seek volume manufacturing partners and distributors. In parallel with the CX300 instrument sales, there is potential for a substantial consumable market, which Paraytec intends to develop and exploit.

Together with Professor Carl Smythe and his team at Sheffield University, Paraytec has commenced a programme to test and develop a series of user applications for the CX300. The first in this series concerns the **analysis of protein aggregation** and a Technical Note "Therapeutic Antibody Aggregation Analysis using CX-300 and ParaySelect™" is now available on the Paraytec website (www.paraytec.com). This shows users how the CX300 can quantify aggregation in the monoclonal antibody Herceptin™ within 60 seconds, using a remarkably small sample of 30 microlitres. Paraytec has instruments ready to demonstrate this procedure and is setting up a contract service to analyse samples on behalf of researchers.

Herceptin™ is an important biopharmaceutical used to treat early and advanced Her2+ cancers, including breast, stomach and oesophageal cancer, either alone or as an antibody-drug conjugate. Aggregation is to be avoided because it results in loss of function, decreased solubility, and, most importantly, enhances unwanted immunogenicity. Aggregate information is highly valuable to medical protein producers, who need to know if the material is denatured or aggregated before they use it in drug production. The CX300 can greatly increase aggregate detection over current methods, which would assist the research, development and production of better-quality drugs and diagnostics, whilst saving time and cost.

Phasefocus Holdings Limited (Braveheart owns 44.19% of the company)

Phasefocus' patented imaging and analysis technology uses a novel computational method for high fidelity Quantitative Phase Imaging ("QPI") and advanced microscopy, known in the scientific literature as "ptychography". The technology is useful for a wide range of applications including live cell imaging, engineering metrology and electron microscopy. The company's principal offering, Liveocyte®, combines its QPI technology with integrated, proprietary, analysis software for live cell analysis. What sets this system apart from its counterparts is its unique ability to continuously track thousands of individual cells and sustain cell health and viability over prolonged durations. This fundamental feature facilitates longitudinal studies involving live cells, thereby permitting a more thorough exploration of dynamic cellular processes. The system enables users to automatically characterize growth, morphology, and motility of large populations of cells in a 96-well plate assay format.

We believe that the Liveocyte® imaging and analysis system <https://www.phasefocus.com/liveocyte> is truly market leading. Its easy-to-use image processing and cell tracking algorithms allow cell biologists to identify and track individual cells in real time. Researchers can now monitor the effect of drugs on cell behaviour over many days, identifying cell division events and subsequent daughter cells.

Many drug treatments used in cancer therapy aim to: (1) disrupt the cell cycle to stop the tumour growing; or (2) reduce the probability of cells causing secondary cancers through metastasis. Liveocyte® has been demonstrated to provide novel measurements crucial to assessing the performance of both therapy targets; cell growth, proliferation and division events are useful for understanding (1) and cell motion and migration characteristics are valuable for (2).

Stem cells are extremely sensitive to DNA damage, which makes them very challenging to image with most high-content cell analysis systems which use high-power laser sources and fluorescent labelling. Liveocyte®, with its QPI technology, produces high contrast images without the need for fluorescent labels or a high-powered illumination source, making it more suited to stem cell research. Cells analysed with Liveocyte® are also left viable for subsequent downstream use, e.g. for further cell growth or additional analysis.

Unlike comparative QPI systems, Liveocyte® removes the need for expensive consumables, reduces set up times, improves image quality, expands the field of view and greatly reduces time to results through real-time data analysis.

Two new Liveocyte® applications have been developed by Phasefocus in response to customer requests and are scheduled for launch before the end of 2023. These will be marketed as proprietary assays, to meet the needs of cell biologists testing drug performance in immuno-oncology and neuroscience applications.

Liveocyte® systems are already being used in research laboratories across the globe, with over 40 scientific research papers featuring Liveocyte® data published to date. There is substantial further potential; the global live cell imaging market is estimated to be \$2.7 billion in 2023 and expected to grow at CAGR of 10.2% over the period to 2028.

<https://www.marketsandmarkets.com/Market-Reports/live-cell-imaging-market-163914483.html#:~:text=The%20global%20live%20cell%20imaging,trend%20analysis%20of%20the%20market.>

Kirkstall Limited (Braveheart owns 86.11% of the company)

Kirkstall operates in the market known as 'organ-on-a-chip', where it has developed Quasi Vivo®, a system of chambers for cell and tissue culture in laboratories. Its patented technology is used by researchers in the growing New Approach Methodologies ("NAMs"), which enable human-relevant drug safety decisions to be made without the need for animal testing.

Kirkstall is committed to delivering alternatives to animal testing into the hands and mind-sets of researchers worldwide. With Quasi Vivo and its associated test assays, the Directors believe that Kirkstall has the potential to change the research landscape. Quasi Vivo® systems enable precise control of flow and pressure,

to provide a significantly [more human relevant research environment](#) than competitor systems, which enables the use of human cells/tissue slices in 2D or 3D constructs (scaffolds, gels or spheroids) in long term toxicology, mechanistic and metabolic studies.

Kirkstall's new QV1200 product was launched in February 2023 and has already attracted strong interest from academic and commercial customers. The QV1200 combines all of the most useful features of the previous Kirkstall products: it is easy to set up; allows single and multi-organ experiments; has an air-liquid interface (e.g. for use on lung experiments) and a liquid-liquid interface (e.g. for use on blood brain barrier experiments); has a standard microplate compatible with lab equipment and uses the standard wells for cell experiments. In addition, the QV1200 has an increased throughput, allows for cell imaging and uses improved biocompatible materials. The QV1200 culture chambers are single use, allowing Kirkstall to benefit from repeat sales from each customer.

Together with the launch of QV1200, Kirkstall has taken the exciting step of establishing its own contract research organisation (CRO) service to customers from its laboratory in Sheffield. Kirkstall will use the power of its NAMs technology to provide early stage, clinically transferrable data across a range of applications, providing customers with greater confidence in the success of their projects, at a fraction of the time and cost www.kirkstall.com/contact-us/.

Kirkstall's research team is developing toxicity test assays for liver, lung and gut cells and will offer these to others, both through its CRO service and by providing assay kit products for other laboratories to use. In parallel work, researchers at Oxford University are developing blood-brain barrier assays for Kirkstall. The aim is to provide data to prove that QV1200 system replicates the human physiology more effectively than other flow systems.

Kirkstall's products and services sit in the Cell Biology Research and CRO markets, both of which are growing rapidly. The global cell culture market size was USD 21.95 billion in 2021 and is expected to surpass USD 52.65 billion by 2030 with a CAGR of 10.21% during the forecast period 2022 to 2030. The CRO market is projected to reach USD 188.5 billion by 2030 from USD 73.4 billion in 2022, at a CAGR of 12.5 %. Kirkstall's products support the Early Phase

Development market which represents approximately 20% of this market and is forecast to grow faster during this period due to the increasing investment in the development of life-saving drugs.

<https://www.fortunebusinessinsights.com/industry-reports/contract-research-organization-cro-services-market-100864>

<https://www.precedenceresearch.com/cell-culture-market>

Listed Investments

At 31 March 2023, Braveheart held investments in the following AIM listed companies:

- Aukett Swanke Group plc (Braveheart owns 12.96% of the company): a professional services group that principally provides architectural and interior design services in the primary international market sectors of offices, residential, education, industrial, hospitality and mixed use or 'hybrid' developments.
- Autins Group plc (Braveheart owns 15.98% of the company): an industry-leading designer, manufacturer and supplier of acoustic and thermal insulation solutions for the automotive industry and other sectors.
- Image Scan Group plc (Braveheart owns 7.05% of the company): a specialist supplier of X-ray screening systems to the security and industrial inspection markets.
- Velocity Composites plc (Braveheart owns 1.26% of the company): a UK based company and leading supplier of composite material kits to aerospace and other high-performance manufacturers.

Your Board believes these technology-driven companies each has a significant opportunity to build sales and deliver profit. As always, Braveheart is an active investor, regularly communicating with their boards and seeking to introduce opportunities that help deliver shareholder returns.

The Company also has a number of portfolio investments that are smaller scale legacy investments. We will continue to manage these investments and seek exits where appropriate.

Portfolio investments

The Company also has a number of portfolio investments that are smaller scale legacy investments which we continue to manage and seek exits where appropriate.

Prior-Year Restatement

Your Board has reviewed its accounting policy and concluded that as Braveheart is an investment company and in accordance with IFRS 10, Kirkstall and Paraytec are not required to be consolidated and thus these financial statements, including the prior year have been restated to remove these previously consolidated entities.

Investment Strategy

When Braveheart became a company listed on AIM, the Admission Document approved by shareholders on 27 March 2007 set out the Investment Strategy which was appropriate to the business and the market at that time. Over the years, Braveheart has moved away from FCA regulated legacy fund management activities and has for some years focused on making and managing direct investments made from its own balance sheet resources. Your Board of directors now considers that a New Investment Strategy is needed to reflect the business opportunities and market conditions that the Company now faces and recommends that this amendment to the Admission Document be approved by shareholders at the forthcoming AGM.

Outlook

Shareholder funds are now deployed maximally to enhance the attractiveness of our investments to potential acquirers. Intensive work continues to further develop the attractiveness and value of our 'cutting edge' science businesses. With the bait in the water, masterful inactivity is probably the most appropriate stance for your directors to take for now, as we wait for approaches.

Trevor Brown
Chief Executive Officer
30 June 2023

* Braveheart share price on 24/08/2015 was 7.5p and on 31/03/23 was 7.5p. Total dividend paid during the above period was 43.25p, which equates to a CAGR of 28.59%.

** <https://www.londonstockexchange.com/indices/ftse-aim-all-share>

FINANCIAL REVIEW

During the year, we continued the comprehensive review of our cost base and continued to reduce the central costs.

Income Statement

Fee-based revenue was generated by Braveheart Investment Group Plc. The principal revenue from the Group's operations comprises investment management fees, with total revenue during the year being £51,000 (2022: £64,000). Finance income was £Nil (2022: £Nil), this being interest on outstanding loan notes within the directly held portfolio.

As at 31 March 2023, the total number of directly held investments in the portfolio of Strategic Investments and the Portfolio Investments was 21 companies (2022: 18). The fair value of the directly held portfolio was £9,458,000 (2022: £4,937,000). During the year the group made investments of £1,828,000 into six companies: Autins Group Plc, Aukett Swanke Plc, Image Scan Holdings Plc, KDS Architecture Limited, Kirkstall Limited and Phasefocus Holdings Limited.

Total income for the year ended 31 March 2023, including realised gains and unrealised revaluation gains and losses, was £2,958,000 (2022: £2,691,000).

The average number of employees remained at four during the period under review. Employee benefits expense was £556,000 (2022: £534,000). Other operating and finance costs increased to £283,000 (2022: £226,000).

The total profit after tax decreased to £1,585,000 (2022: £1,883,000), equivalent to a basic profit per share of 2.68 pence (2022: 4.02 pence).

Financial Position

The Group's net assets of £10,520,000 (2022: £7,486,000).

At the year end, the Group had cash balances of £935,000 (2022: £1,853,000). There were no material borrowings.

A summary analysis of the Group's performance is as follows:

	2023 £'000	2022 £'000
Investment management revenue and sales	51	64
Finance income	21	-
Income before portfolio movements	72	64
Profit on disposal of investments	171	60
Change in fair value of investments, gain on disposal of investments and movement in contingent liability	2,958	2,691
Total income of continuing activities	3,201	2,815
Employee benefits expense (including share-based payments)	(556)	(534)
Other operating and finance costs	(286)	(228)
Total costs on continuing activities	(842)	(762)
Profit before tax - continuing	2,359	2,053
Tax	(774)	(170)
Total profit and total comprehensive profit for the year	1,585	1,883
Opening cash balance	1,853	2,134
Investment in portfolio companies	(1,529)	(1,467)
Proceeds from sale of equity investments	428	246
Amount paid to BBB	(6)	(171)
Warrants and share options exercised	-	7
Funds raised - net of share issue costs	930	2,416
Other activities	(741)	(1,312)
Closing cash balance	935	1,853
Net assets	10,520	7,487

Key Performance Indicators (KPIs)

The KPIs we use to monitor business performance have been changed in order to better reflect the emphasis that the Board has placed upon the development of the Strategic Investments as the best way to increase shareholder value over the short and medium term. Given the nature of our business, these KPI's remain as, primarily, financial measures. They are:

	2023	2022
Cash (£'000)	935	1,853
Share price (pence)	6.75	17.75
Income (£'000)	51	64
Value of investments	9,458	4,937

Principal Risks and Uncertainties

Through its operations the Group is exposed to a number of risks. The Group's risk management objectives and policies are described in the Corporate Governance Statement. Braveheart is ensuring that all necessary steps have been taken to maintain the integrity of the Company's assets and the health and well-being of our employees.

Section 172 Statement

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so, have regard (amongst other things) to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationship with suppliers, customers and others,
- the impact of the Company's operations on the community and environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the Company.

The Board of Directors is collectively responsible for formulating the Company's strategy, which is to provide advisory services to SMEs and invest in businesses where prospects appear to be exceptional and deliver growth to its shareholders.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of an AIM-listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS"). The Company's

website is also updated regularly and provides further details on the business as well as links to helpful content such as our latest investor presentations.

Our employees are one of the primary assets of our business and will be critical to the future success of the Company. First and foremost, the Directors strive to ensure a safe working environment for all its staff and contractors, and we are proud of our safety achievements in 2022/23. We also seek to reward employees with remuneration packages which align the interests of the Company and its shareholders with those of employees. Employees are also provided with challenging work and external training opportunities to ensure their continual development.

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

On behalf of the Board
Trevor E Brown
 Chief Executive Officer
30 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2023

		2023	Restated 2022
	Notes	£	£
Revenue from contracts with customers	3	50,902	64,257
Change in fair value of investments	5	2,957,665	2,690,598
Profit on disposal of investments	5	170,576	60,414
Total income		3,179,143	2,815,269
Employee benefits expense		(556,146)	(534,240)
Other operating costs		(283,356)	(225,780)
Total operating costs		(839,502)	(760,020)
Finance costs		(2,154)	(1,721)
Finance income		21,003	88
Total costs		(820,653)	(761,653)
Profit before tax		2,358,490	2,053,616
Tax		(773,652)	(170,398)
Profit from continuing operations		1,584,838	1,883,218
Total profit and total comprehensive loss for the year		1,584,838	1,883,218
Profit attributable to:			
Equity holders of the parent		1,584,838	1,883,218
		1,584,838	1,883,218
Earnings per share		Pence	Pence
- basic	4	2.68	4.02
- diluted	4	2.68	3.38

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2023

		2023	Restated 2022	Restated 2021
	Notes	£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment		418	796	421
Investments at fair value through profit or loss	5	9,458,324	4,937,155	834,922
Debtors due in over one year		1,155,200	813,200	317,200
		10,613,942	5,751,151	1,152,543
Current assets				
Trade and other receivables		64,510	211,782	188,921
Cash and cash equivalents	7	934,861	1,852,742	2,133,746

Cash and cash equivalents	1	2,064,524	2,064,524	2,064,524
		999,371	2,064,524	2,322,667
Total assets		11,613,313	7,815,675	3,475,210
LIABILITIES				
Current liabilities				
Trade and other payables		(149,656)	(158,761)	(473,173)
		(149,656)	(158,761)	(473,173)
Non-current liabilities				
Deferred taxation		(944,050)	(170,398)	-
Total liabilities		(1,093,706)	(329,159)	(473,173)
Net assets		10,519,607	7,486,516	3,002,037
EQUITY				
Called up share capital	4	1,274,469	1,044,807	766,148
Share premium reserve	4	5,370,711	4,371,343	2,226,671
Share based payment reserve		471,203	309,835	137,200
Retained earnings		3,403,224	1,760,531	(127,982)
Equity attributable to owners of the Parent		10,519,607	7,486,516	3,002,037
Total equity		10,519,607	7,486,516	3,002,037

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 March 2023

	2023	Restated 2022
	£	£
Operating activities		
Profit before tax	2,358,490	2,053,616
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Share based payment	219,223	177,930
Increase in the fair value movements of investments	(2,957,665)	(2,690,598)
Profit on disposal of equity investments	(170,576)	(60,414)
Investment movement owed to BBB	6,801	41,265
Depreciation and amortisation	378	271
Interest income	(21,003)	(138)
Increase in trade and other receivables	(194,728)	(518,861)
Decrease in trade and other payables	(9,106)	(314,412)
Cash flow from operating activities	(768,186)	(1,311,341)
Investing activities		
Proceeds from sale of investments	428,066	245,871
Amount paid to BBB	-	(170,887)
Purchase of investments	(1,529,127)	(1,467,469)
Purchase of tangibles	-	(646)
Interest received	21,003	138
Net cash flow from investing activities	(1,080,058)	(1,392,993)
Financing activities		
Warrants and share options exercised	-	7,480
Funds raised, net of share issue costs	930,363	2,415,850
Net cash flow from financing activities	930,363	2,423,330
Net decrease in cash and cash equivalents	(917,881)	(281,004)
Cash and cash equivalents at the beginning of the year	1,852,742	2,133,746
Cash and cash equivalents at the end of the year	934,861	1,852,742

During the year, there were two share for share exchanges involving Aukett Swanke plc that resulted in additional non cash investment of £298,668 and an equal uplift in share capital and share premium.

The accompanying accounting policies and notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2023

	Called up Share Capital	Share Premium Reserve	Share based payment Reserve	Retained Earnings/ (Deficit)	Total	Non- controlling interest	Total Equity
GROUP	£	£	£	£	£	£	£
At 1 April 2021	766,148	2,226,671	137,200	(559,897)	2,570,122	(6,025)	2,564,097
Prior year adjustment	-	-	-	431,915	431,915	6,025	437,940
At 1 April 2021 restated	766,148	2,226,671	137,200	(127,982)	3,002,037	-	3,002,037
Profit and total comprehensive profit for the year	-	-	-	1,883,218	1,883,218		1,883,218
Allotment of shares	278,659	2,228,822	-	-	2,507,481		2,507,481
Cost of shares issued	-	(84,150)	-	-	(84,150)		(84,150)
Share based payments	-	-	177,930	-	177,930		177,930
Transfer to retained earnings	-	-	(5,295)	5,295	-		-
Transactions with owners, recognised directly in equity	278,659	2,144,672	172,635	1,888,513	4,484,479		4,484,479
At 1 April 2022 restated	1,044,807	4,371,343	309,835	1,760,531	7,486,516		7,486,516
Profit and total comprehensive profit for the year	-	-	-	1,584,838	1,584,838		1,584,838
Allotment of shares	229,662	1,034,118	-	-	1,263,780		1,263,780
Cost of shares issued	-	(34,750)	-	-	(34,750)		(34,750)
Share based payments	-	-	219,223	-	219,223		219,223
Transfer to retained earnings	-	-	(57,855)	57,855	-		-
Transactions with owners, recognised directly in equity	229,662	999,368	161,368	1,642,693	3,033,091		3,033,091
At 31 March 2023	1,274,469	5,370,711	471,203	3,403,224	10,519,607		10,519,607

Share capital is the number of shares issued in the company at their nominal value. The share premium account represents the gross proceeds from issue of shares, less their nominal value.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

1 Corporate information

The Group and Company financial statements of Braveheart Investment Group plc (the Company) for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 30 June 2023 and the statements of financial position were signed on the Board's behalf by Trevor Brown.

Braveheart Investment Group plc is a public company incorporated in the United Kingdom under the Companies Act 2006 limited by shares. The address of the registered office is detailed at the back of this report. The nature of the Group's operations and its principal activities are set out in the Strategic Report and Directors' Report. The Company is registered in Scotland. The Company's ordinary shares are traded on the AIM market of the London Stock Exchange.

2 Accounting policies

(a) Basis of preparation

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006 and in accordance with the requirements of the AIM rules. The principal accounting policies adopted by the Group and by the Company are set out in the following notes.

The consolidated financial statements have been prepared on a historical cost basis, except where otherwise indicated. The financial statements are presented in sterling and all values are rounded to the nearest pound (£), which is also the functional currency of the company and its subsidiaries, except where otherwise indicated.

The Group's business activities (together with the factors likely to affect its future development, performance and position) and its financial position is set out in the Chief Executive Officer's Report. The Group's risk management objectives and policies are described in the Corporate Governance Statement. Further information regarding the Group's financial risk management objectives and policies, including those in relation to credit risk, liquidity risk and market risk, is provided in note 21 to the financial statements. The Group's capital management objectives are stated on page 47, note (n).

3 Revenue from contracts with customers

Revenue is attributable to the principal activities of the Group. In 2023 and 2022, all revenue arose within the United Kingdom.

	Group 2023 £	Restated Group 2022 £
Investment management	15,000	21,167
Monitoring fees	3,600	-
Consultancy	32,302	43,090
	50,902	64,257

Of the revenue stated above, £32,302 (2022: £43,090) related to The Lachesis Seed Fund Limited Partnership.

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

	Investment management	Monitoring fee	Consultancy	Total
2023				

Timing of revenue recognition

At a point in time	15,000	3,600	-	18,600
Over time	-	-	32,302	32,302
	15,000	3,600	32,302	50,902

2022 Restated

Timing of revenue recognition

At a point in time	21,167	-	-	21,167
Over time	-	-	43,090	43,090
	21,167	-	43,090	64,257

4 Earnings per share

Basic earnings per share has been calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The calculations of profit per share are based on the following profit and numbers of shares in issue:

	2023	Restated 2022
	£	£
Profit for the year	1,584,838	1,883,218
Weighted average number of ordinary shares in issue:	No.	No.
For basic profit per ordinary share	59,104,950	46,870,999
Potentially dilutive ordinary shares	-	1,633,195
For diluted earnings per ordinary share	59,104,950	48,504,194

Dilutive earnings per share adjusts for share options granted where the exercise price is less than the average price of the ordinary shares during the period. At the current year end there were Nil (2022: 1,633,195) potentially dilutive ordinary shares.

The diluted loss per Ordinary Share is calculated by adjusting the weighted average number of Ordinary shares outstanding to consider the impact of options, warrants and other dilutive securities.

5 Investments at fair value through profit or loss

	Level 1	Level 2	Level 3			
	Equity investments in quoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Total
GROUP	£	£	£	£	£	£
At 1 April 2021 Restated	-	-	-	834,922	-	834,922
Additions at Cost	1,420,534	-	-	46,935	-	1,467,469
Disposals	-	-	-	(48,274)	-	(48,274)
Amount owed to creditors	-	-	-	(7,560)	-	(7,560)
Change in Fair Value	(286,680)	-	-	2,977,278	-	2,690,598
At 1 April 2022 Restated	1,133,854	-	-	3,803,301	-	4,937,155
Additions at Cost	1,177,139	-	-	650,656	-	1,827,795
Disposals	(257,490)	-	-	-	-	(257,490)
Amount owed to creditors	-	-	-	(6,801)	-	(6,801)
Change in Fair Value	(41,626)	-	-	2,999,291	-	2,957,665
At 31 March 2023	2,011,877	-	-	7,446,447	-	9,458,324

Included in the balance above are investments that would be owed to the British Business Bank through the Revenue Share Agreement. At the year end, an amount of £24,242 would be due to the British Business Bank on disposal. This liability is shown in the accounts within other creditors.

5 Investments at fair value through profit or loss (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>			
	Equity investments in quoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Equity investments in unquoted companies	Debt investments in unquoted companies	Total
COMPANY	£	£	£	£	£	£
At 1 April 2021 Restated	-	-	-	731,366	-	731,366
Additions at Cost	1,420,534	-	-	46,935	-	1,467,469
Disposal	-	-	-	(126)	-	(126)
Change in Fair Value	(286,680)	-	-	2,980,518	-	2,693,838
At 1 April 2022 Restated	1,133,854	-	-	3,758,693	-	4,892,547

Additions at Cost	1,177,139	-	-	650,717	-	1,827,856
Disposal	(257,490)	-	-	-	-	(257,490)
Change in Fair Value	(41,626)	-	-	3,002,195	-	2,960,569
At 31 March 2023	2,011,877	-	-	7,411,605	-	9,423,482

As at 31 March 2023, the group total value of investments in companies was £9,458,324 (2022: £4,937,155). The group total change in fair value during the year was a profit of £2,957,665 (2022: profit £2,690,598).

Investments, which is made up of equity investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Group's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting date. Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective December 2015, as recommended by the European Venture Capital Association. The fair value of unlisted equity investments is determined using the most appropriate of the valuation methodologies set out in the guidelines. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

The Group classifies its investments using a fair value hierarchy. Classification within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant investment as follows:

- Level 1 - valued using quoted prices in active markets for identical assets;
- Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1; and
- Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

The fair values of quoted investments are based on bid prices in an active market at the reporting date. All unquoted investments have been classified as Level 3 within the fair value hierarchy, their respective valuations having been calculated using a number of valuation techniques and assumptions, notwithstanding that the basis of the valuation methodology preferred by the Group is 'price of most recent investment'. To reflect the potential impact of alternative assumptions and a lack of liquidity in these holdings, a discount has been applied to all Level 3 valuations. When using the DCF valuation method, reasonably possible alternative assumptions could have a material effect on the fair valuation of investments.

The methodologies used in the year for level 3 investments are broken down as follows:

Methodology	Description	Inputs	Adjustments	% of portfolio valued on this basis
Fund Raising	Used for unquoted investments where there has been a funding round, generally within the last twelve months	The price of the most recent investment	A liquidity discount is applied, typically 15%. Where last funding round is greater than twelve months then further discounts ranging between 0% and 100% are applied.	2.4%
Debt/Loan notes	Loan investments	The fair value of debt investment is deemed to be cost less any impairment provision	Impairment provision if deemed necessary	0.7%
Discounted cash flow and revenue multiples	Used for companies with long-term cash flows and having comparable transactions/ companies in the listed segment	Long term cash flows are discounted at a rate considered appropriate for the business, typically 25%. Revenue multiples are typically 5 to 10 times of forward looking revenue.	A liquidity discount is applied, typically 20%	96.9%
				Group
Change in fair value in the year:				2023
				£
Fair value gains				4,722,538
Fair value losses				(1,764,873)
				2,957,665
				Group
				2022
				£
				2,982,077
				(291,479)
				2,690,598

The gain in the year came from the uplift of the valuations in Phasefocus Holdings, Paraytec and Kirkstall

Details of investments where the nominal value of the holding in the undertaking is 20% or more of any class of share are as follows:

Caledonia Portfolio Realisations Limited ('CPR') holds a 20% aggregate shareholding in Verbalis Limited ('Verbalis'), a design and production of automated language translation systems company. Neither CPR nor the Company is represented on the Board or within management of Verbalis and in the opinion of the directors, this shareholding does not entitle the Company to exert a significant or dominant influence over Verbalis. The carrying value of Verbalis is Enil (2022: Enil).

The Company holds a 100% aggregate holding in Paraytec Limited, which develops high performance specialist detectors for the analytical and life sciences instrumentation market. The valuation of Paraytec has been reviewed following new patent filing of intellectual property, launch of its new product and associated business plans. The Company is represented on the board. The carrying value of Paraytec £3,038,625 (2022: £220,622).

The Company holds a 86% aggregate holding in Kirkstall Limited, a biotechnology company which developed a system of interconnected chambers for cell and tissue culture in laboratories. The valuation of Kirkstall has been reviewed following

development of new intellectual property, patent application and launch of its new product and associated business plans.

The Company is represented on the Board. The carrying value of Kirkstall is £1,678,844 (2022: £Nil).

The Company holds a 42% aggregate holding on PhaseFocus Holdings Limited, has developed a series of patented computational imaging techniques that have a wide range of applications including live cell imaging, engineering metrology and electron microscopy. The Company is represented on the Board and in the opinion of the directors, neither this shareholding nor the representative entitles the Company to exert a significant or dominant influence over PhaseFocus. The valuation method has changed following consultation with Phasefocus representatives and their advisers. The carrying value of Phase Focus is £2,502,512 (2022: £3,418,573).

The Company holds a 38% aggregate holding on Sentinel Medical Limited, this company is developing a point of care diagnostic device for bladder cancer detection and monitoring. The Company is represented on the Board and in the opinion of the directors, this shareholding nor the representative entitles the Company to exert a significant or dominant influence over Sentinel. The carrying value of Sentinel is £33 (2022: £33).

The Company holds a 38.65% aggregate holding in KDS Architecture Limited, a company which provides architectural services. The Company is not represented on the Board or within management of KDS Architecture and in the opinion of the directors, this shareholding does not entitle the Company to exert a significant or dominant influence over KDS Architecture. The carrying value of KDS Architecture is £76,074 (2022: £nil).

The registered addresses for these entities are as follows:

Verbalis Limited	Frostineb Cottage, Fala, Pathhead, Midlothian, Scotland, EH37 5TB
Paraytec Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
Kirkstall Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
Gyrometric Systems Limited	Dockholme Lock Cottage, 380 Bennett Street, Long Eaton, Nottingham, England, NG10 4JF
Phasefocus Holdings Limited	125 Wood Street, London, England, EC2V 7AW
Sentinel Medical Limited	York House, Outgang Lane, Osbaldwick, York, England, YO19 5UP
KDS Architecture Limited	42 Lytton Road, Barnet, England, EN5 5BY

6 Investment in subsidiaries

The Company has the following interests in subsidiary undertakings:

Name	Country of Incorporation	Nature of Business	% Interest
Caledonia Portfolio Realisations Limited (i)	Scotland	Investment management	100%
Braveheart Academic Seed Funding GP Limited (i)	England	Investment management	100%
Ridings Holdings Limited (i)	England	Investment management	100%
The Ridings Early Growth Investment Company Limited (ii)	England	Investment management	100%
Paraytec Limited (iii)	England	Development of high performance specialist detectors	100%
Kirkstall Limited (iii)	England	Biotechnology	86%
Combrook Holdings	England	Investment management	60%

(i) Direct subsidiary of Braveheart Investment Group plc

(ii) Indirect subsidiary of Braveheart Investment Group plc

(iii) Not consolidated

Group entities act as General Partner to, and have an interest in, the following limited partnerships:

Name	Place of Business	% Interest
Lachesis Seed Fund	England	0%

The registered addresses for the subsidiary undertakings are as follows:

Caledonia Portfolio Realisations Limited	1 George Square, Glasgow, Scotland, G2 1AL
Braveheart Academic Seed Funding GP Limited	One Fleet Place, London, EC4M 7WS
Ridings Holdings Limited	One Fleet Place, London, EC4M 7WS
The Ridings Early Growth Investment Company Limited	One Fleet Place, London, EC4M 7WS
Paraytec Limited	York House, Outgang Lane, Osbaldwick, York, North Yorkshire, YO19 5UP
Kirkstall Limited	York House, Outgang Lane, Osbaldwick, York, North Yorkshire, YO19 5UP
Combrook Holdings Limited	Old Linen Court, 83-85 Shambles Street, Barnsley, South Yorkshire, England, S70 2SB

7 Cash and cash equivalents

	Group 2023	Restated Group 2022	Company 2023	Restated Company 2022
	£	£	£	£
Cash at bank and on hand	934,861	1,852,742	684,532	1,602,140

Cash balances are held with HSBC Bank plc and earn interest at floating rates based on daily bank deposit rates.

8 Prior year adjustment

The accounts have been restated in order to take Kirkstall Limited and Paraytec Limited out of the group accounts. IFRS 10 provides mandates that an investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity, excluding any subsidiary that is itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities. As such, the consolidation of Kirkstall Ltd and Paraytec Ltd in the prior year's financial statements is deemed to be not in accordance with IFRS 10 and as such requires correction and the prior-year figures should be restated to reflect this change. The effects are stated below.

Changes to the Consolidated Statement of Financial Position

	As previously reported	Adjustment at 1 April 2021	Adjustment at 31 March 2022	Restated 31 March 2022
	£	£	£	£
Non current assets				
Property, plant and equipment	1,776	(1,745)	765	796
Intangible assets	26,103	(28,152)	2,049	-
Goodwill	205,775	(205,775)	-	-
Investments at fair value through profit or loss	4,716,080	221,075	-	4,937,155
Debtors due in over one year	-	371,200	442,000	813,200

8 Prior year adjustment (Continued)

	As previously Reported 31 March 2022	Adjustment at 1 April 2021	Adjustment at 31 March 2022	Restated 31 March 2022
	£	£	£	£
Current assets				
Inventory	90,113	(98,441)	8,328	-
Trade and other receivables	123,412	(69,292)	157,662	211,782
Cash and cash equivalents	1,893,931	(9,120)	(32,069)	1,852,742
Current liabilities				
Trade and other payables	(272,432)	117,906	(4,235)	(158,761)
Deferred income	(7,025)	41,843	(34,818)	-
Equity				
Retained earnings	899,202	431,915	429,414	1,760,531
Total equity	6,607,335	437,940	441,241	7,486,516

Changes to the consolidated income statement

	As previously Reported 31 March 2022	Adjustment	Restated 31 March 2022
	£	£	£
Total income	185,814	(121,557)	64,257
Total costs	(1,390,801)	629,148	(761,653)
Tax	(104,048)	(66,350)	(170,398)
Profit for the year	1,441,977	441,241	1,883,218

Changes to the consolidated cash flow

	As previously Reported 31 March 2022	Adjustment	Restated 31 March 2022
	£	£	£
Cash flow from operating activities	(1,269,438)	(41,903)	(1,311,341)
Net cash flow from investing activities	(1,402,827)	9,834	(1,392,993)
Net cash flow from financing activities	2,423,330	-	2,423,330
Net decrease in cash and cash equivalents	(248,935)	(32,069)	(281,004)
Cash and cash equivalents at the beginning of the year	2,142,866	(9,120)	2,133,746
Cash and cash equivalents at the end of the year	1,893,931	(41,189)	1,852,742

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