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Kinovo PLC
28 November 2023

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Kinovo Plc

("Kinovo" or the "Group")

Interim Results

Strong H1 Performance

Ongoing Execution of Strategic Initiatives

Kinovo plc (AIM:KINO), the specialist property services group that delivers compliance and sustainability solutions, announces its unaudited Interim Results for the six months ended 30 September 2023 (the "Period").

Financial highlights (Continuing Operations):

- Revenue increased by 2% to £30.3 million (H1 2023: £29.8 million)
- Gross profit up 9% from £7.71 million to £8.40 million
- Gross margin increased by 1.8ppt to 27.7% (H1 2023: 25.9%)
- Adjusted EBITDA up 21% to £2.9 million (H1 2023: £2.4 million)
- Operating profit increased by 47% to £2.7 million (H1 2023: £1.9 million)
- Basic earnings per share increased 43% to 3.08p from 2.16p in H1 2023
- Cash conversion of 92% during the period (H1 2023: 130%)
- Net cash of £1.0 million (H1 2023, net debt: £56,000)

Operating highlights:

- A favourable mix of works, operational efficiencies and lower non-underlying costs delivered increased gross margin
- Three-year visible revenues increased to £157.0 million (FY 2023: £146.4 million) with 95% of revenues recurring
- Regulation attributable revenues increased to 61% of the Group's total revenues (H1 2023: 54%), due to legislation drivers, delivering growth of 15% in Regulation revenues
- Regeneration attributable revenues increase to 26% of the Group's total revenues (H1 2023: 25%) with growth of 8%
- Renewables down to £3.87 million in the period from £6.29 million but is expected to reverse in H2
- Electrical services leads the Group's service performance, accounting for 47% of total revenues and delivering 20% growth
- Numerous successful placements on major frameworks and subsequent direct awards provide a strong pipeline of opportunities
- Further strategic investment in the Business Development and Renewables teams to accelerate organic growth momentum
- Satellite office established in Dereham, Norfolk following the strong interest in our services in the East of England, which further consolidates our geographic position
- Our year two Carbon Net Zero Strategic Report has been released with our maiden ESG Impact Report to be published in December 2023

Discontinued operations, DCB (Kent) Limited ("DCB"):

- Work has progressed substantially on seven of the nine projects; five are on track to be completed in December 2023 with the other two are expected to be completed by the end of the FY24 financial year
- On one of the remaining two projects the construction partner entered into administration in October 2023, leading to a terminable event for the contract.
- Constructive negotiations continue with the final project which is now currently scheduled to complete in early 2026
- As previously announced, project amendments and additional remedial costs have together resulted in an additional pre-tax provision of £0.46 million as at the half year. However, these estimates may change as we move towards completion of the projects and we will update the market with any further material changes if or when they may occur

Outlook:

- The second half has started well, with revenues expected to pick up further in the second half of the year, albeit at more normalised margins, as part of the Group's traditional heavier second half weighting
- Ongoing execution of strategic initiatives under the three key pillars of Regulation, Regeneration and Renewables continues to strengthen our position and create opportunities for all service divisions
- At least seven of nine DCB projects expected to be completed during the current financial year
- The Group is trading in line with the Board's expectations for the full year and is well positioned to continue its growth trajectory

	Unaudited 6 months to 30 September 2023 £´000	Unaudited 6 months to 30 September 2022 £´000	Audited 12 months to 31 March 2023 £´000

Continuing operations			
Income statement			
Revenue	**30,337**	29,761	62,670
Gross profit	**8,399**	7,711	16,472
Gross margin	**27.7%**	25.9%	26.3%
EBITDA[1] (excluding effect of lease payments)	**3,199**	2,630	6,013
Adjusted EBITDA[2] (including effect of lease payments)	**2,911**	2,396	5,474
Operating profit	**2,745**	1,873	4,809
Underlying operating profit[3]	**2,800**	2,311	5,297
Underlying profit before taxation[4]	**2,633**	2,099	4,896
Profit after taxation	**1,918**	1,344	3,713
Basic earnings per share[5]	**3.08**	2.16	5.97
Adjusted earnings per share[6]	**3.17**	2.87	6.76
Cash flow			
Net cash generated from operating activities	**2,959**	2,466	5,488
Adjusted net cash generated from operating activities[7]	**2,686**	3,119	5,865
Adjusted operating cash conversion[8] (%)	**92%**	130%	107%
Financial position			
Cash and cash equivalents	**1,157**	1,721	1,322
Term and other loans	**(114)**	(1,777)	(177)
Net cash/(debt)[9]	**1,043**	(56)	1,145
Net assets/(liabilities)	**1,055**	(2,294)	(652)
Discontinued operations (see note 11)			
Loss on disposal	**(343)**	(3,486)	(4,261)
Net cash absorbed by operating activities	**(2,601)**	(1,652)	(2,750)

1. Earnings before interest, taxation, depreciation and amortisation ("EBITDA") and excluding non-underlying items, as set out in the financial review.

2. To align with internal reporting, Adjusted EBITDA is stated after the effect of a charge for lease payments, as set out in the financial review.

3. Underlying operating profit is stated before charging non-underlying items as set out in note 4.

4. Underlying profit before taxation is stated after finance costs and before charging non-underlying items as set out in the financial review.

5. Basic earnings per share is the profit after tax divided by the weighted average number of ordinary shares.

6. Adjusted earnings per share is the profit before deducting non-underlying items after tax divided by the weighted average number of ordinary shares.

7. Net cash generated from operating activities before tax and after lease payments in the period ended 30 September 2023. It is also adjusted to reflect the payment of deferred HMRC payments to normal terms. Further analysis is set out in the financial review.

8. Adjusted net cash generated from operating activities divided by Adjusted EBITDA, as set out in the financial review.

9. Net cash/(debt) includes term and other loans, and cash net of overdraft, and excludes lease obligations.

David Bullen, Chief Executive Officer of Kinovo, commented:

"I am pleased to report another strong period of growth for Kinovo, with revenue and profits both increasing during the half year. The business continues to benefit from our strategic repositioning, concentrating our service offering, as well as external legislative drivers, while our framework placings represent a significant growth opportunity and will enable further diversification of our services.

The second half has started well and we are trading in line with the Board's expectations for the full year, and remain confident that we have the right strategy to drive growth and realise Kinovo's significant potential. I am satisfied with the progress made on the DCB projects, with seven of the nine due to be completed this financial year. We continue to prioritise investing in our people, we have motivated teams and we are confident in our long-term success."

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Chair's statement

Overview

I am pleased to report a strong first half of the financial year for Kinovo's continuing business, with revenue and profits continuing to rise. The business continues to benefit from our strategic repositioning, as well as key external legislative drivers providing a significant boost to our three-year visible revenues. The Regulation and Regeneration pillars grow from strength to strength, while the Renewables pillar was temporarily affected by administrative bottlenecks at a number of clients, causing delays to planned works. These works are expected to commence during H2.

As a result of a more favourable mix of works, actions taken internally to boost operational efficiency and lower non-underlying costs, EBITDA grew by 21% during the half year to £2.91 million, with operating profit increasing by 46% to £2.75 million. We have a healthy balance sheet at period-end and are pleased to be in a net cash position compared to net debt of £0.06 million in the prior year.

Discontinued Operations

The executive management team have shown a dogged determination and commitment to resolve the situation regarding DCB Kent ("DCB"), our former construction division. The team has made significant progress to the portfolio of projects we are legally obliged to complete, with five of the nine projects due to be completed during December 2023, and a further two by the end of this financial year. The executive team are working diligently to manage the risks related to these projects and as at the half year, provisioned an incremental £0.46m, as previously announced. As we draw to practical completion on these projects, the market will, of course, be updated with any further material increases should they arise.

Fully resolving the projects relating to DCB's discontinued operations remains the key priority for the Board which will leave the Group to focus entirely on growth.

Outlook

In spite of the challenging macroeconomic outlook, I remain optimistic in terms of Kinovo's prospects and potential for growth. We have a strong underlying business, with considerable demand supplemented by internal actions and legislation.

As ever, our people are our key assets and I am pleased to report that David Bullen has maintained his momentum and commitment to continue to invest in our people.

The second half has started well and the Group continues to trade in line with the Board's expectations in terms of the continuing business and the Board is confident in increasing shareholder value and delivering the long-term strategy of the business.

Sangita Shah
Non-Executive Chair

28 November 2023

Chief Executive Officer's review

Overview & Financial performance

The first half marked another important period for Kinovo as we accelerated organic growth and continued to develop our three key operational pillars of Regulation, Regeneration and Renewables. Revenue increased 2% to £30.34 million (H1 2023: £29.76 million), despite some planned works being delayed and only commencing in the latter part of H1 due to clients' administrative bottlenecks, which will play into the traditional heavier second half weighting.

There was a marked increase in profitability due to a more favourable mix of higher margin works, as well as continuing operational efficiencies and lower non-underlying costs. Gross profits grew 9% to £8.40 million (H1 2023: £7.71 million) and gross margins increased to 27.7% (H1 2023: 25.9%). This led to EBITDA growth of 21% to £2.91 million (H1 2023: £2.40 million), while operating profit grew by 46% to £2.75 million (H1 2023: £1.87 million). The Group ended the Period with a cash balance of £1.16 million and a net cash position of £1.04 million (H1 2023: gross cash of £1.72 million and net debt of £0.06 million).

Operational Review & Growth Drivers

Our H1 performance benefitted from strategic internal actions and investments as well as the continued effects of legislative drivers, namely the Building Safety Act, Fire Safety Act and changes to the Electrical Wiring Legislation. Our strategic repositioning, which focuses our range of works around the three pillars mentioned above, has been a catalyst for accelerating organic growth. We also continue to invest in our people, and during the Period have supplemented our Renewables pillar and expanded the Business Development team.

Within the three pillars, revenue attributable to Regulation increased to 61% (H1 2023: 54%), growing 15% to £18.60 million, and Regeneration attributable revenues increased to 26% (H1 2023: 25%), growing 8% to £7.86 million, both benefitting from the legislative drivers referenced above. The Renewables pillar decreased its attributable revenues to £3.87 million to 13% in H1 2024 (H1 2023: 21%), due to clients' administrative bottlenecks and a deliberate run down on the private works stream. Positively, the Company achieved an uplift in direct awards for the Renewables pillar of approximately £7.5 million granted during the Period and post-Period end which will start to be realised in H2. The Renewables pillar represents a significant growth opportunity for the Group, with Kinovo adding key hires including a Lead Assessor, Technical Coordinator and Resident Liaison Officer to increase our capabilities and strengthen the offering to capitalise on this opportunity.

In revenue terms, Mechanical works generated £6.14 million, representing 20% of total revenue, Electrical works contributed £14.23 million, 47% of total revenue, driven by the legislative drivers mentioned above and Building Services works were £9.96 million, representing 33% of total revenue. The inflow of workstreams commencing in the latter part of H1 as well as the mobilisation of new workstreams during the period is expected to reflect positively across the three pillars as well as the three service divisions in the full year.

Another considerable growth driver for the Group is our framework placings, which we are confident will enable us to further enhance our top line growth, diversify our client base and broaden our mix of works. During the Period, we announced the award of additional significant framework wins under the following:

- Eastern Procurement Limited's Asset Improvement and Sustainability Framework with a maximum aggregate estimated value across the relevant contractors of £156 million over 4 years;
- a place on The Greener Futures Partnership's ("GFP") Decarbonisation Framework with a maximum aggregate value across the relevant contractors of £252 million over 7 years;
- 3 lots of The Hyde Group's Alternative Heating Servicing and Maintenance Services and Metering and Billing Services Framework with a maximum aggregate estimated value across the relevant contractors of £132 million over 4 years; and
- a place on the National Housing Maintenance Forum Heating Services Framework for domestic heating appliances and servicing, maintenance, and installations worth a maximum aggregate value across the relevant contractors of £300 million over 4 years

During the Period and post-period end, the Group has won tenders as well as demonstrating the value of being placed on frameworks with direct award wins with a total contract value of £56 million over a maximum of eight years. These wins have broadened our client range as well as introduce new workstreams, including a number of direct award wins secured in the East of England. Both of these achievements are in line with the objectives to deliver our growth strategy, with wins ranging from a direct award for £4.8 million through The GFP Decarbonisation Framework to retrofit approximately 200 properties over the next 18 months, through to an introductory direct award from Great Yarmouth Borough Council for £0.3 million for a damp and mould and retrofit works project over 4 months.
This momentum demonstrates the resilience and robustness of visible earnings outlook with three-year visible revenues increasing from £146.4 million to £157.0 million, with 95% recurring. £66 million of the visible revenue is expected to be recognised in FY24.

The Group is making positive progress, and to accelerate our organic growth, we have invested further in our Business Development Team with a new Bid Manager and Estimator.

In line with our objective to consolidate our geographic position, the strong interest in our services in the East of England has resulted in a number of direct awards through frameworks, facilitating the establishment of a satellite office in Dereham, Norfolk, to enable us to service the area more effectively and efficiently. Our newly recruited Renewables team will be based in Dereham, whilst offering support to the rest of the Group.

ESG & Social Value

Sustainability and driving social value are integral to our corporate identity and embedded in our culture, underpinning each of our three pillars. We continue to invest in our sustainability offering as a business and, during the Period, we have been developing our maiden ESG Impact Report, which will be released next month. We also published our year-two Net Zero Report earlier this month, which provides our pathway to reach an 81% reduction in Scope 1, 2 and 3 emissions and our commitment to become Net Zero by 2040. We have offset all Scope 1 and 2 emissions since 2022 in pursuit of being carbon neutral within our own operational boundary, and we commit to maintaining this by offsetting all future emissions.

Developing our people, offering career progression and apprenticeship opportunities is extremely important to us, with apprentices representing 14% of our total employees. Training apprentices is a fundamental part of our professional development programme, enabling us to upskill young and local people while also mitigating the potential impacts of supply issues within our subcontractor base as we grow.

We have continued to develop our people, providing 1,781 hours of in-house training, including Carbon Literacy training to our Management Team. We have introduced an Employee Assistance Programme offering specialist help, support, and advice to all our staff around their wellbeing and general health. We also introduced a "volunteer day" programme across the Group, where employees are encouraged to participate in community initiatives, providing a dual benefit of contributing to personal development, whilst cultivating a culture of giving back.

Our social value proposition has also been developed in collaboration with clients and we focus our initiatives on the needs within local areas. We encourage those who face barriers to employment to join us and have visited local prisons to offer advice on getting back to work and sharing opportunities available within the Group. We have also signed up to the Armed Forces Covenant Pledge to acknowledge and understand the needs of the Armed Forces community.

Discontinued Operations

We continue to progress the legacy projects relating to our former construction division, DCB. We expect seven of the nine total projects to be completed during the current financial year, five of which we remain confident of being completed in December. The expected costs to complete these seven projects have increased by £0.20 million and will be updated with the final account reconciliations as the projects draw to a close.

Of the two remaining projects, one had been delayed due to ongoing negotiations with the construction partner, a UK housebuilder. The construction partner has fallen into administration just after the period end which has led to a terminable event for the contract between DCB's administrators and the construction partner and a resulting cessation of discussions with Kinovo. The Group is awaiting the next steps from the administrators to clarify and confirm the Group's position. In these interim results, and as previously announced, additional associated costs on this project, including legal fees, amounting to £0.26 million has been provided. Additional costs of £0.2 million on the seven projects and the project in administration together comprise the £0.46 million increase in the total costs to complete which has been provided at 30 September 2023. The total net pre-tax cost to complete the DCB projects is now estimated to be £5.72 million.

We remain in an active dialogue with the client regarding the final project, which is now currently scheduled to complete in early 2026 and we will update the market in due course on all material matters relating to the DCB projects if or when they may occur.

Outlook

We are optimistic regarding Kinovo's growth potential, believing that there are significant opportunities for top and bottom-line growth resulting from the ongoing effects of our strategic repositioning and the external legislative drivers which will continue to increase demand for our works. The framework placings will also continue to broaden out our client base as we diversify our range of works.

We continue to prioritise internal initiatives that will further drive this growth, namely investments in our employees, teams and capabilities. Our people are our greatest asset, and we will continue to invest in their professional development as a matter of priority.

I am satisfied with how the DCB projects are progressing and look forward to putting the majority behind us this calendar year. The team has worked tirelessly in dealing with this difficult situation for Kinovo, and I wish to thank them for their roles in allowing us to begin to put the issue behind us.

The second half has started well and the Group is trading in line with the Board's expectations for the full year and is well positioned to continue its exciting growth trajectory. We have an excellent business with talented and motivated teams, and a market proposition that will enable us to continue strengthening our position in our existing geographies.

David Bullen
Chief Executive Officer

28 November 2023

Financial review

Trading review

In the six-month period to 30 September 2023, Kinovo has continued to deliver a strong trading result and cash generation from its continuing operations.

Adjusted EBITDA (after the effect of a charge for lease payments) increased by 21% to £2.91 million (H1 2023: £2.40 million) with operating profit from continuing operations delivering £2.75 million (H1 2023: £1.87 million), an increase of 47%.

Profit before taxation for continuing operations was £2.58 million (H1 2023: £1.66 million), an increase of 55% and basic earnings per share were up 43% to 3.08p (H1 2023: 2.16p).

A number of expected planned works were delayed in the first half due to our clients' administrative bottlenecks with revenues increasing 2% to £30.34 million (2023: £29.76 million) whilst increased margins delivered an increase in gross profit of 9% to £8.40 million (2023: £7.71 million). As the planned works progress and our new contract wins are fully mobilised, revenues are expected to pick up in the second half of the year, albeit at more normalised margins, strengthening the traditional second half weighting.

Underlying Administrative expenses of £5.6 million in the Period have increased £0.2 million (4%) compared to £5.40 million in the prior Period.

Kinovo continues to progress the fulfilment of its commitments on the DCB construction projects as set out in the Chief Executive Officer review and below. Discontinued operations include a full provision for the estimated costs to complete the projects which, before tax, has increased by £0.46 million in the period.

As a result of the discontinued operations provision, the Group has reported a total profit for the period of £1.56 million (H1 2023: loss £2.14 million).

The Adjusted EBITDA on continuing operations of £2.91 million (H1 2023: £2.40 million) in the period is considered by the Board to be a key Alternative Performance Measure ("APM") as it is the basis upon which the underlying management information is prepared and the performance of the business assessed by the Board.

Adjusted EBITDA is calculated as earnings before interest, taxation, depreciation and amortisation, excluding non-underlying items and is stated after the effect of a charge for lease payments.

A reconciliation of EBITDA (excluding lease payments) and Adjusted EBITDA (including a charge for lease payments) for continuing operations is set out below:

	[illegible]	Audited

Continuing operations	Unaudited 6 months ended 30 September 2023 £'000	Unaudited 6 months ended 30 September 2022 £'000	year ended 31 March 2023 £'000
Profit before tax	**2,578**	**1,661**	**4,408**
Add back: non-underlying items	55	438	488
Underlying profit before tax	**2,633**	**2,099**	**4,896**
Adjustments for items not included in EBITDA:			
Finance costs	167	212	401
Depreciation of property, plant and equipment	69	64	131
Depreciation of right-of-use assets	274	222	513
Amortisation of software costs	56	33	72
EBITDA (excluding a charge for lease payments)	**3,199**	**2,630**	**6,013**
Adjustment for lease payments	(288)	(234)	(539)
Adjusted EBITDA	**2,911**	**2,396**	**5,474**

Non-underlying items

Non-underlying items are considered by the Board to be either exceptional in size, one-off in nature or non-trading related items and are represented by the following, and as set out in note 4.

	Unaudited 6 months ended 30 September 2023 £'000	Unaudited 6 months ended 30 September 2022 £'000	Audited year ended 31 March 2023 £'000
Continuing activities			
Amortisation of customer relationships	-	383	385
Share based payment charge	55	55	103
Total	**55**	**438**	**488**

Customer relationship intangible fixed asset was fully amortised at 30 September 2022.

Cash flow performance

Adjusted net cash generated from continuing operating activities in the period was £2.68 million (H1 2023: £3.12 million) delivering an Adjusted operating cash conversion of 92% (H1 2023: 130%).

Adjusted operating cash conversion is calculated as cash generated from continuing operations (after lease payments) of £2.69 million (H1 2023: £2.23 million), adjusted for the effects of deferred HMRC repayments of £nil (H1 2023: £0.89 million), in the period; divided by Adjusted EBITDA of £2.91 million (H1 2023: £2.40 million), as set out below;

Continuing operations	Unaudited 6 months ended 30 September 2023 £'000	Unaudited 6 months ended 30 September 2022 £'000	Audited year ended 31 March 2023 £'000
Cash flow from operating activities per condensed consolidated statement of cash flows	**358**	**814**	**2,738**
Adjustment for cash absorbed by discontinued operations	2,601	1,652	2,750
Net cash generated from continuing operating activities	**2,959**	**2,466**	**5,488**
Less operating lease payments	(273)	(234)	(510)
Net cash generated from continuing activities (after lease payments)	**2,686**	**2,232**	**4,978**

Adjustment for deferred HMRC payments	-	887	887
Adjusted net cash generated from continuing operating activities	**2,686**	**3,119**	**5,865**
Adjusted EBITDA (as above)	2,911	2,396	5,474
Adjusted operating cash conversion	**92%**	**130%**	**107%**

In the year ended 31 March 2023, the Group received accelerated receipts of £0.40 million relating to future periods which improved cash conversion in FY23. If the receipts were allocated to the correct periods cash conversion in FY23 and for the 6-month period to 30 September 2023 would be 100% and 106% respectively.

By arrangement with HMRC, VAT liabilities of £887,000 were deferred at 31 March 2022 and were fully repaid by 1 September 2022.

Discontinued operations

Following its rebranding and strategic review, Kinovo determined that DCB Kent Limited (DCB), the Company's construction business was non-core and initiated a process to dispose of the business which was completed in January 2022.

The terms of the disposal included certain working capital commitments. The business entered administration in May 2022 and Kinovo retained commitments under parent company guarantees, signed prior to the disposal of DCB, to complete its' construction projects.

The total net cost of the commitment to complete the DCB construction projects was estimated to be £5.3 million at 31 March 2023, which was provided in full at that date.

In the 6-month period to 30 September 2023 the Group has continued to fulfil its commitments on seven of the nine projects which are expected to be completed during the current financial year. Two projects were in ongoing discussions at the time of the publication of the Group Report and Accounts in July 2023. The client on one of these projects subsequently entered into administration in October 2023 which led to a terminable event. Discussions continue on the further final project to conclude a mutually acceptable solution for all parties. As a consequence of the administration of the client on one of the projects and additional costs to complete forecast on other projects, an additional provision of £457,000 (post tax £343,000) has been booked at 30 September 2023. Total pre-tax net costs to complete are now expected to be £5.72 million.

The outstanding provision for the completion costs of the projects amounts to £1.33 million at 30 September 2023. The provision for the net costs to complete the DCB projects have been presented as discontinued operations.

Cash outflow in the 6-month period to 30 September 2023 relating to the discontinued operations amounted to £2.60 million (H1 FY 23: £1.65 million including £1.23 million in respect of working capital contributions made to DCB prior to it entering administration and accrued at 31 March 2022). In the year ended 31 March 2023 cash outflow relating to the discontinued operations amounted to £2.75 million including the working capital contributions referenced above.

Net debt

There has been a continuing focus on cash management in the period. In the six-month period to 30 September 2023, the Group held a net cash balance of £1.04 million compared to net debt of £56,000 at 30 September 2022. The net cash position is comparable to the year end and is after the absorption of £2.60 million cash relating to the fulfilment of legacy DCB project commitments.

Set out below is an analysis of net debt:

	Unaudited at 30 September 2023 £'000	Unaudited at 30 September 2022 £'000	Audited at 31 March 2023 £'000

Net debt/(cash)	(1,157)	(1,721)	(1,322)
HSBC term loan	-	1,534	-
HSBC mortgage	114	171	143
Other term loan	-	72	34
Net debt/(cash)	**(1,043)**	**56**	**(1,145)**

During the period the Group repaid £63,000 (H1 FY23: £1.07 million) of borrowings being, £29,000 (H1 FY23: £28,000) on the HSBC mortgage and £34,000 (H1 FY23: £37,000) on the legacy Funding Circle Term loan, which was fully repaid in September 2023. £1.00 million was repaid on the HSBC Term loan in the six-month period to 30 September 2022. The Term loan was fully repaid at 31 March 2023.

The Group also has an on-demand overdraft facility of £2.50 million which was undrawn at 30 September 2023. The facility was renewed in September 2023 and interest is charged at 3% above Bank of England Base rate. At the same time the Group also renewed a purchasing card facility of £6.0 million with HSBC which is reported within trade creditors. Both facilities expire at 31 May 2024 to enable the further ordinary course renewal of these facilities to be completed prior to approval of the financial statements for the year ending 31 March 2024.

Due to increases in the Bank of England Base Rate, HSBC have amended their standard terms on their purchasing card product, reducing credit terms by 30 days. In alignment with the renewal of our facilities a payment will be made to reflect the new terms in May 2024. The payment will be dependent on the phasing of spend on the purchasing card but this is expected to be approximately £1.4 million and the facility (currently £6.0 million) will reduce by a commensurate amount at the same time.

Dividends

No final dividend was paid for the year ended 31 March 2023 and no interim dividend is currently recommended for the year ending 31 March 2024. It remains the Board's priority to fulfil the completion of the DCB projects and strengthen the balance sheet and to resume the payment of a dividend as soon as financial conditions allow.

Clive Lovett
Group Finance Director

28 November 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 September 2023 (unaudited)

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Continuing operations			
Revenue	**30,337**	**29,761**	**62,670**
Cost of sales	(21,938)	(22,050)	(46,198)
Gross Profit	8,399	7,711	16,472
Underlying administrative expenses	(5,599)	(5,400)	(11,175)
Operating profit before non-underlying items	**2,800**	**2,311**	**5,297**
Non-underlying administrative expenses			
Amortisation of customer relationships	-	(383)	(385)
Share based payment charge	(55)	(55)	(103)
Total non-underlying administrative expenses (note 4)	(55)	(438)	(488)
Operating profit	**2,745**	**1,873**	**4,809**
Finance cost	(167)	(212)	(401)
Profit before tax	**2,578**	**1,661**	**4,408**
Income tax expense *(note 10)*	(660)	(317)	(695)

Income tax expense (*note 10*)	(660)	(317)	(695)
Total profit from continuing operations for the period	**1,918**	**1,344**	**3,713**
Discontinued operations			
Loss for the period (note 11)	(343)	(3,486)	(4,261)
Total comprehensive income/(loss) for the period attributable to the equity holders of the parent company	**1,575**	**(2,142)**	**(548)**
Earnings per share from continuing operations (note 6)			
Basic (pence)	3.08	2.16	5.97
Diluted (pence)	3.05	2.16	5.92
Earnings/(loss) per share (note 6)			
Basic (pence)	2.53	(3.45)	(0.88)
Diluted (pence)	2.50	(3.43)	(0.88)

There are no items of other comprehensive income for the period.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2023 (unaudited)

	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited 31 March 2023 £'000
Assets			
Non-current assets			
Intangible fixed assets	4,478	4,393	4,511
Property plant and equipment	1,066	1,069	1,062
Right-of-use-assets	875	696	929
Total non-current assets	6,419	6,158	6,502
Current assets			
Inventories	2,823	3,528	2,438
Deferred tax asset	64	783	610
Trade and other receivables	11,807	11,988	11,087
Cash and cash equivalents	1,157	1,721	1,322
Total current assets	15,851	18,020	15,457
Total assets	**22,270**	**24,178**	**21,959**
Equity and liabilities attributable to equity holders of the parent company			
Issued share capital and reserves			
Share capital (note 8)	6,278	6,213	6,213
Own shares	(850)	(850)	(850)
Share premium	9,289	9,245	9,245
Share based payment reserve	136	65	113
Merger reserve	(248)	(248)	(248)
Retained earnings	(13,550)	(16,719)	(15,125)
Total equity	1,055	(2,294)	(652)
Non-current liabilities			
Borrowings (note 7)	57	114	86
Lease liabilities	457	384	491
	514	498	577
Current liabilities			
Borrowings (note 7)	57	1,663	91
Lease liabilities	433	324	452
Trade and other payables	18,877	19,987	18,013
Provisions (note 11)	1,334	4,000	3,478
	20,701	25,974	22,034
Total equity and liabilities	**22,270**	**24,178**	**21,959**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 September 2023 (unaudited)

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Net cash generated from operating activities (note 5)	358	814	2,738
Cash flow from investing activities			
Purchase of property, plant and equipment	(75)	(27)	(90)
Purchase of intangible assets	(22)	(8)	(188)
Net cash used in investing activities	(97)	(35)	(278)
Cash flow from financing activities			
Issue of new share capital for SIP	77	-	-
Repurchase of own shares for SIP	-	(64)	(64)
Repayment of borrowings	(63)	(1,065)	(2,666)
Interest paid	(167)	(212)	(401)
Principal payments of leases	(273)	(221)	(511)
Net cash used in financing activities	(426)	(1,562)	(3,642)
Net decrease in cash and cash equivalents	(165)	(783)	(1,182)
Cash and cash equivalents at beginning of period/year	1,322	2,504	2,504
Cash and cash equivalents at end of period/year	**1,157**	**1,721**	**1,322**

The condensed consolidated statement of cash flows includes all activities of the Group. Cash flows from discontinued operations are set out in note 11.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 September 2023 (unaudited)

	Issued share capital £'000	Share premium £'000	Own shares £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2023	6,213	9,245	(850)	113	(248)	(15,125)	(652)
Profit and total comprehensive income for the period	-	-	-	-	-	1,575	1,575
Issue of share capital for SIP	65	44	-	(32)	-	-	77
Share based payment charge	-	-	-	55	-	-	55
Balance at 30 September 2023	6,278	9,289	(850)	136	(248)	(13,550)	1,055

For the six-month period ended 30 September 2022 (unaudited)

	Issued share capital £'000	Share premium £'000	Own shares £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2022	6,213	9,245	(850)	74	(248)	(14,577)	(143)
Loss and total comprehensive loss for the period	-	-	-	-	-	(2,142)	(2,142)
Share based payment charge	-	-	-	55	-	-	55
Purchase of own shares for SIP	-	-	-	(64)	-	-	(64)
Balance at 30 September 2022	6,213	9,245	(850)	65	(248)	(16,719)	(2,294)

For the year ended 31 March 2023

	Issued share capital £'000	Share premium £'000	Own shares £'000	Share based payment reserve £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2022	6,213	9,245	(850)	74	(248)	(14,577)	(143)
Loss and total comprehensive loss for the year	-	-	-	-	-	(548)	(548)
Share based payment charge	-	-	-	103	-	-	103
Purchase of own shares for SIP	-	-	-	(64)	-	-	(64)
Balance at 31 March 2023	6,213	9,245	(850)	113	(248)	(15,125)	(652)

NOTES TO THE INTERIM STATEMENT

1. Basis of preparation

Kinovo Plc and its subsidiaries (together "the Group") operate in the mechanical, electrical and general building services industries. The Group is a public company operating on the AIM market of the London Stock Exchange (AIM) and is incorporated and domiciled in England and Wales (registered number 09095860). The address of its registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT. The Company was incorporated on 20 June 2014.

These interim financial statements of the Group have been prepared on a going concern basis under the historical cost convention, and in accordance with UK adopted Accounting Standards, the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Boards ("IASB") that are effective or issued and early adopted as at the time of preparing these financial statements and in accordance with the provisions of the Companies Act 2006. The Group has adopted all of the new and revised standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB, as they have been adopted by the United Kingdom, that are relevant to its operations and effective for accounting periods beginning on 1 April 2022.

The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements, being the statutory financial statements for Kinovo Plc as at 31 March 2023, which have been prepared in accordance with IFRIC of the IASB as adopted by the United Kingdom.

The interim financial information for the six months ended 30 September 2023 do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The interim financial information has not been audited.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial information is consistent with those expected to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2024.

Going concern

The Directors have adopted the going concern basis in preparing these interim financial statements.

The continuing business traded strongly in the first six months of the financial year with adjusted EBITDA 21% ahead of the prior period. The Group has secured a number of new direct awards in the period, has a robust pipeline of opportunities and is well placed on several framework agreements to secure additional contracts in future periods.

At 30 September 2023 the Group had a cash balance of £1.16 million and a net cash position of £1.04 million, with only £0.12 million of borrowings remaining, relating to a historic mortgage loan.

In September 2023, the £2.5 million overdraft facility, which is undrawn at 30 September 2023, and the £6.0 million purchasing card facility, which is reported within trade creditors, were renewed to 31 May 2024. This will enable the further ordinary course renewal of these facilities to be completed prior to approval of the financial statements for the year ending 31 March 2024.

During FY22 Kinovo disposed of its non-core construction based subsidiary DCB (Kent) Limited ("DCB"). On 16 May 2022, DCB filed for administration and as at the date of the interim financial statements Kinovo has limited expectation of recovery of amounts owed under the terms of the disposal of DCB. Kinovo had residual commitments under various Parent Company Guarantees ("PCG's") for the DCB construction projects and under the terms of the PCG's, Kinovo is responsible for the completion of the projects.

PCGs, Kinovo is responsible for the completion of the projects.

There are nine projects in total. Seven projects are expected to be completed by the end of the financial year, with five of these expected to be complete in December 2023. The client on one of the two remaining contracts went into administration in October 2023 which has led to a terminable event. Positive negotiations continue on the final project.

Three of the nine DCB contracts originally had performance bonds, which were indemnified by Kinovo plc, totalling £2.10 million. Only one bond, amounting to £860,000, remains outstanding to resolve. Discussions continue on the final project associated with the performance bond with an expectation that a positive outcome for both parties will be agreed. Kinovo has engaged with the insurer, underwriter and client and although the outstanding bond could have been called at any time since DCB entered into administration, it is recognised by all parties that positive negotiations are ongoing to identify a satisfactory solution.

For the year ended 31 March 2023 the Group recognised a pre-tax loss of £5.26 million relating to the expected net cost to complete the nine projects, with £0.96 million of anticipated recoveries to be recognised, in future periods, when they have been realised. Additional project liabilities, which have been recognised in the interim financial statements, have increased the expected pre-tax net costs to complete the projects by £0.46 million to £5.72 million.

During the period the Group funded £2.60 million net costs on the projects and at 30 September 2023 the outstanding costs to complete provision was £1.33 million.

In assessing the Group's ability to continue as a going concern, the Board reviews and approves the 12-month budget and longer-term strategic plan, including forecasts of cash flows. In building these budgets and forecasts, the Board has considered the expected remaining net costs to complete the DCB construction projects and the market challenges of supply chain inflation and material and labour availability on the trading of the Group.

The Directors expect that a combination of the cash generated by the continuing business together with the available cash and bank facilities will enable Kinovo to fund the remaining costs to complete the construction projects and continue to drive the growth of the core operations.

After taking into account the above factors and possible sensitivities in trading performance, the Board has reasonable expectation that Kinovo plc and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Board continues to adopt the going concern basis in preparing the consolidated financial statements. Accordingly, these accounts do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group were unable to continue as a going concern.

Publication of non-statutory financial statements

The results for the six months ended 30 September 2023 and 30 September 2022 are unaudited and have not been reviewed by the auditor. Statutory accounts for the year ended 31 March 2023 were filed with the Registrar of Companies in August 2023.

The interim financial information has been prepared on the basis of the same accounting policies as published in the audited financial statements for the year ended 31 March 2023. The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee ("IFRIC") pronouncements as adopted by the United Kingdom. Comparative figures for the year ended 31 March 2023 have been extracted from the statutory financial statements for that period.

2. Corporate governance, principal risks and uncertainties

The Corporate Governance Report included with our Annual Report and Financial Statements for 2023 detailed how we embrace governance. The Kinovo Board recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its shareholders.

The Quoted Companies Alliance has published a corporate governance code for small and mid-sized quoted companies, which includes a standard of minimum best practice for AIM companies, and recommendations for reporting corporate governance matters (the "QCA Code"). Kinovo has adopted the QCA Code.

reporting corporate governance matters (the "QCA Code"). Kinovo has adopted the QCA Code.

The nature of the principal risks and uncertainties faced by the Group have not changed significantly from those set out within the Kinovo Plc annual report and accounts for the year ended 31 March 2023.

3. Segmental analysis

The Board of Directors has determined an operating management structure aligned around the three core activities of the Group, being Mechanical services, Building services and Electrical services. Operating profit before non-underlying items has been identified as the key performance measure. The following is an analysis of the performance by segment for continuing operations:

	Unaudited 6 months ended 30 September 2023	**Unaudited 6 months ended 30 September 2022**	**Audited year ended 31 March 2023**
Continuing operations	**£'000**	**£'000**	**£'000**
Mechanical services	6,140	7,524	15,022
Building services	9,965	10,389	19,686
Electrical services	14,232	11,848	27,962
Total revenue	**30,337**	**29,761**	**62,670**

Reconciliation of operating profit before non-underlying items to profit before taxation from continuing operations:

	Unaudited 6 months ended 30 September 2023	**Unaudited 6 months ended 30 September 2022**	**Audited year ended 31 March 2023**
	£'000	**£'000**	**£'000**
Continuing operations			
Mechanical services	556	740	1,527
Building services	859	816	1,494
Electrical services	2,340	1,585	4,099
Unallocated central costs	(955)	(830)	(1,823)
Operating profit before non-underlying items	**2,800**	**2,311**	**5,297**
Amortisation of acquisition intangibles	-	(383)	(385)
Share based payment charge	(55)	(55)	(103)
Operating profit	**2,745**	**1,873**	**4,809**
Finance cost	(167)	(212)	(401)
Profit before tax	**2,578**	**1,661**	**4,408**

Only the Group Consolidated Statement of Comprehensive Income is regularly reviewed by the chief operating decision maker and consequently no segment assets or liabilities are disclosed under IFRS 8.

4. Non-underlying items

Operating profit includes the following items which are considered by the Board to be exceptional in size, one off in nature or non-trading related.

	Note	Unaudited 6 months to 30 September 2023	Unaudited 6 months to 30 September 2022	Audited Year ended 31 March 2023
		£'000	£'000	£'000
Amortisation of customer relationships	(a)	-	383	385
Share based payment charge	(b)	55	55	103
		55	438	488

All non-underlying items have been charged to other operating expenses.

(a) *Amortisation of customer relationships*

Amortisation of acquisition intangibles was nil for the period (H1 2023: £0.38 million) and, in the prior periods related to amortisation of the customer relationships identified by the Directors on the acquisition of Purdy.

(b) *Share based payment charge*

A number of share option schemes are in place and new options have been granted during the period relating to the Share Incentive Plan amounting to 290,602 (H1 2023: 289,954) Ordinary shares and CSOP nil (H1 2023: 50,000). The share based payment charge has been separately identified as it is a non-cash expense.

5. Cash flows from operating activities

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Profit/(loss) before income tax	2,121	(2,643)	(852)
Adjusted for:			
Net finance cost	167	212	401
Depreciation	344	287	645
Amortisation of intangible assets	56	416	457
Share based payments	55	55	103
Movement in receivables	(720)	(1,364)	(461)
Movement in payables and provisions	(1,280)	4,925	2,428
Movement in inventories	(385)	(1,074)	17
Net cash from operating activities*	358	814	2,738

* Includes all activities of the Group. Cash flows from discontinued operations are set out in note 11

6. Earnings/(loss) per share

The calculation of basic earnings per share is based on the result attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated under the same method adjusted for the weighted average share options outstanding during the period as well as ordinary shares in issue.

Basic earnings per share amounts are calculated by dividing net profit for the year or period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic and diluted earnings per share is calculated as follows:

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Profit/(loss) used in calculating basic and diluted earnings per share			
Continuing operations	1,918	1,344	3,713
Total operations	1,575	(2,142)	(548)
Weighted average number of shares for the purpose of basic earnings per share	62,269,270	62,137,757	62,137,757
Weighted average number of shares for the purpose of diluted earnings per share	62,978,446	62,264,963	62,689,167
Continuing operations			
Basic earnings per share (pence)	3.08	2.16	5.97
Diluted earnings per share (pence)	3.05	2.16	5.92
Total operations			
Basic earnings/(loss) per share (pence)	2.53	(3.45)	(0.88)
Diluted earnings/(loss) per share (pence)	2.50	(3.43)	(0.88)

Details of loss per share for discontinued operations are set out in note 11.

Adjusted earnings per share

Profit after tax is stated after deducting non-underlying items totalling £0.06 million (H1 2023: £0.44 million). Non-underlying items are either exceptional in size, one off in nature or non-trading related. These are shown separately on the face of the Consolidated Statement of Comprehensive Income.

The calculation of adjusted basic and adjusted diluted earnings per share is based on the result attributable to shareholders, adjusted for non-underlying items, divided by the weighted average number of ordinary shares in issue during the year.

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Continuing operations			
Profit after tax	1,918	1,344	3,713
Add back:			
Amortisation of acquisition intangible assets	-	383	385
Share based payment charge	55	55	103
	1,973	1,782	4,201
Weighted average number of shares for the purpose of basic adjusted earnings per share	62,269,270	62,137,757	62,137,757
Weighted average number of shares for the purpose of diluted adjusted earnings per share	62,978,446	62,264,963	62,689,167
Continuing operations			
Basic adjusted earnings per share (pence)	3.17	2.87	6.76
Diluted adjusted earnings per share (pence)	3.13	2.86	6.70

7. Borrowings

	Unaudited 30 September 2023 £'000	Unaudited 30 September 2022 £'000	Audited 31 March 2023 £'000
Non-current borrowings			
Bank and other borrowings;			
Term loans	-	-	-
Mortgage loan	57	114	86
Other loans	-	-	-
Total non-current borrowings	57	114	86
Current borrowings;			
Bank and other borrowings;			
Term loans	-	1,534	-
Mortgage loans	57	57	57
Other loans	-	72	34
Total current borrowings	-	1,663	91
Bank and other borrowings;			
Term loans	-	1,534	-
Mortgage loans	114	171	143
Other loans	-	72	34
Total borrowings	114	1,777	177

The fair value of the borrowings outstanding as at 30 September 2023 is not materially different to its carrying value since interest rates applicable on the loans are close to market rates.

8. Share capital

Ordinary shares of £0.10 each	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 31 March 2023
	£'000	£'000	£'000
At the beginning of the period	6,213	6,213	6,213
Issued in the period	65	-	-
At the end of the period	**6,278**	**6,213**	**6,213**

Number of shares	Unaudited 30 September 2023	Unaudited 30 September 2022	Audited 31 March 2023
At the beginning of the period	62,137,757	62,137,757	62,137,757
Issued in the period	650,457	-	-
At the end of the period	**62,788,214**	**62,137,757**	**62,137,757**

In August 2023 the Company issued 650,457 of shares to allocate to members of the SIP scheme. 23.5p was paid for 330,753 of these shares, for a total consideration of £77,727. This was allocated as £33,075 of share capital and £44,652 of share premium. The remaining 319,704 were a share based payment for the members of the scheme, and therefore 10p per share (a total amount of £31,970) was transferred to share capital from the share based payment reserve as consideration for these. No share capital was issued in the prior periods.

9. Dividends

The Company did not pay a final dividend for the year ended 31 March 2023 (2022: nil pence). The Board do not recommend an interim dividend for the year ending 31 March 2024.

10. Taxation

The income tax charge for the six months ended 30 September 2023 is calculated based upon the effective tax rates expected to apply to the Group for the full year of 25% (2023: 19%). Differences between the estimated effective rate and the statutory rate of 25% are due to non-deductible expenses.

11. Discontinued operations

(a) Description

Following the disposal of the non-core DCB Kent Ltd (DCB) in January 2022, the business subsequently entered administration in May 2022, as detailed in the Kinovo plc 2023 annual report. Under parent company guarantees, signed prior to the disposal of DCB, Kinovo has a commitment to complete the DCB construction projects. The Kinovo plc 2023 annual report set out the expected net costs to complete the projects amounting to £5.26 million.

Kinovo had residual commitments under various parent company guarantees for the DCB construction projects and working capital support. Under the terms of the parent company guarantees, Kinovo is responsible for the completion of the projects.

The activities of DCB are presented as discontinued operations.

There are nine projects in total and six are now operating under new contracts and another is being completed directly by the client. All these projects are expected to be completed by the end of the financial year, with five of these expected to be complete in December 2023. The client on one of the two remaining contracts went into administration in October 2023 which led to a terminable event. Positive negotiations continue on the final project.

Three of the nine DCB contracts originally had performance bonds, which were indemnified by Kinovo plc, totalling £2.10 million. Only one bond, amounting to £860,000, remains outstanding to resolve. Discussions continue on the final project associated with the performance bond with an expectation that a positive outcome for both parties will be agreed. Kinovo has engaged with the insurer, underwriter and client and although the outstanding bond could have been called at any time since DCB entered into administration, it is recognised by all parties that positive negotiations are ongoing to identify a satisfactory solution.

For the year ended 31 March 2023 the Group recognised a pre-tax loss of £5.26 million relating to the expected net cost to complete the nine projects, with £0.96 million of anticipated recoveries to be recognised, in future periods, when they have been realised. Additional project liabilities, which have been recognised in the interim financial statements, have increased the expected pre-tax net costs to complete the projects by £457,000 to £5.72 million.

During the period the Group funded £2.60 million net costs on the projects and at 30 September 2023 the outstanding costs to complete provision was £1.33 million.

(b) Financial performance and cash flow information from discontinued operations

	Unaudited 6 months to 30 September 2023 £'000	Unaudited 6 months to 30 September 2022 £'000	Audited Year ended 31 March 2023 £'000
Revenue	**2,069**	**-**	**532**
Cost of sales	(2,526)	(4,304)	(5,792)
Loss before taxation	**(457)**	**(4,304)**	**(5,260)**
Income tax credit	114	818	999
Loss for the period/year	**(343)**	**(3,486)**	**(4,261)**
Operating profit excludes allocation of Corporate costs in accordance with IFRS 5, which states that only costs clearly identifiable as directly relating to the discontinued operations can be included.			
Loss per share from discontinued operations			
Basic (pence)	(0.55)	(5.61)	(6.86)
Diluted (pence)	(0.55)	(5.61)	(6.86)
Cash flows from discontinued operations			
Net cash outflow from operating activities	(2,601)	(1,652)	(2,750)
Net cash outflow from investing activities	-	-	-
Net cash outflow from financing activities	-	-	-
Net reduction in cash generated by the subsidiary	(2,601)	(1,652)	(2,750)

12. Forward-Looking statements

This report contains certain forward-looking statements with respect to the financial condition of Kinovo Plc. These statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There could be a number of factors which influence the actual results and developments. These could impact on the forward-looking statements included in this report.

13. Interim Report

Copies of this Interim Report will be available to download from the investor relations section on the Group's website www.kinovoplc.com.