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15 May 2024

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

Revaluation of portfolio assets

Braveheart Investment Group plc (AIM: BRH) announces an update on the valuation of two assets within its investment portfolio ahead of the publication of its audited annual results for the financial year ended 31 March 2024 ("**FY2024 Accounts**").

As part of the process of the preparation of the FY2024 Accounts, the Board of Braveheart (**Board**) has conducted a review of the value of Braveheart's portfolio investments. Following this review, a decision has been made to write down the value of the Company's equity investments in Paraytec Limited ("**Paraytec**") (book value at 31 March 2023: £3.04m) and Kirkstall Limited ("**Kirkstall**") (book value at 31 March 2023: £1.67m) to zero in the FY2024 Accounts, subject to finalisation of the audit.

The Company had previously announced that it had been seeking a buyer for Paraytec and, on 4 March 2024, it announced that it had been unable to secure a suitable offer, with the Board deciding to retain Paraytec within its investment portfolio to continue the development of Paraytec's sales and marketing, with the aim of enhancing its appeal to a potential acquirer or future partner. Since then, the performance by Paraytec and its prospects have significantly reduced and the Board no longer believes that Braveheart's outstanding loans to Paraytec (totalling £1.44 million as at 31 March 2024), will be repaid in the short-term.

In addition, Kirkstall has been unable to achieve certain sales milestones and discussions with M&A advisers and potential acquirers have not progressed. Therefore, the Board no longer believes that Braveheart's outstanding loans to Kirkstall (totalling £0.16 million as at 31 March 2024), will be repaid in the short-term.

It is anticipated that other legacy private company investments in the portfolio will be valued in the usual way, based on last round investment price less provisions for debt, lack of liquidity and other factors.

The write downs of the investment values, together with the sale of the Company's interest in Phase Focus Holdings Limited ("**Phase Focus**") for £2.1 million, mean the book value of the Company's equity investment portfolio is expected to be significantly reduced compared to the prior year, at approximately £1.75 million (31 March 2023 equity portfolio value: £9.46 million), consisting primarily of the Company's investments in UK listed companies as well as the legacy private company investments. The outstanding loans to Paraytec and Kirkstall are also being impaired to zero.

The Board believes that, with time, Kirkstall and Paraytec have the potential to increase in value and provide exit opportunities for the Company, but it is prudent to write the values down to zero at the current time. Going forward, the Board has taken the decision to focus on finding new investment opportunities that will be transformative for the Company. Additionally, the Board has implemented a range of actions to rationalise the Company's cost base and to preserve its cash, which stood at approximately £1.74 million on 31 March 2024. Furthermore, the Company will be utilising the proceeds of the sale of Phase Focus to seek new investment opportunities as opposed to making a distribution by way of a special dividend.

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