

23 September 2025

B.P. Marsh & Partners Plc
("B.P. Marsh", the "Company" or the "Group")

Trading Update

B.P. Marsh & Partners Plc (AIM: BPM), the specialist venture capital investor in early stage financial services businesses, is pleased to provide the market with an update on trading for the Group's six month period ended 31 July 2025 (the "Period").

Highlights

- Continued strong performance from the portfolio
- The Group completed one disposal during the Period, Sterling Insurance
- Five new investments were undertaken during the Period, iO Finance Partners, Amiga Specialty, Cameron Specialty, Gambit Risk Finance and XPT Producer Acquisition Co
- As at 31 July 2025, Group funds stood at £52.6m
- The Group has a robust pipeline of potential new and follow-on investments

Dividend and Share Buy-Back Programme

Dividend

- During the Period, the Company paid a Special Dividend of £3.0m, reflecting the receipt of deferred consideration from the 2024 disposal of Paladin and a Final Dividend of £2.5m during the Period
- The Company has delivered a total cash return to shareholders of £8.0m so far during the financial year ending 31 January 2026
- The Board has confirmed its intention to maintain a minimum annual dividend of £5.0m for the financial years ending 31 January 2027, and 2028, with the flexibility to increase or decrease the dividend where appropriate, for example in the event of significant realisations or capital commitments
- Since flotation, the Group has paid and proposed an aggregate of £34.7m in cash dividends

Share Buy-Back Programme

- In April 2025, the Company announced a new £2.0m Share Buy-back Programme
- During the Period, the Company bought back 145,000 shares (in aggregate) for £1,023,000 at an average price of 703p per share
- At the General Meeting held on 2 June 2025, shareholders approved the renewal of the Company's authority to purchase up to 10.0% of the Company's issued ordinary share capital
- Shareholders also authorised the Company to make such purchases without triggering a mandatory offer obligation on the Brian Marsh Concert Party, provided that the Concert Party's resulting holding does not exceed 42.5% of the ordinary shares in issue (excluding any held in treasury)

Secondary Placing

- During the Period, significant institutional demand for B.P. Marsh shares was shown through a two-stage secondary placing facilitated by PSC UK Pty Limited ("PSC"), a subsidiary of The Ardonagh Group Limited ("Ardonagh")
- On 9 May 2025, 1,936,881 ordinary shares (c.5.2% of the Company's issued share capital) were placed with institutional investors at 630p per share (representing approximately £12.2m).
- Following strong residual demand, a further 1,822,183 shares (c.4.9% of the Company's issued capital) were sold to Wellington Management Group LLP by Ardonagh
- On 8 August 2025, Ardonagh completed the sale of its remaining 3,626,440 ordinary shares (c.9.8% of the Company's issued share capital) at 650p per share through an accelerated bookbuild, at a cost of approximately £23.6m. Of these shares, Wellington Management Group LLP increased its stake to 9.2%
- Of the 3,626,440 shares, 769,231 were acquired by B.P. Marsh for £5.0m post Period
- The successful exit of Ardonagh and diversification of the Company's institutional investor base with high-quality investors has reinforced market confidence in B.P. Marsh's long-term growth strategy and investment approach

Disposals

Sterling Insurance Pty Limited ("Sterling")

In May 2025, the Group completed the sale of its investment in Sterling Insurance Pty Limited ("Sterling"), an Australian underwriting agency specialising in construction sector liability cover, to ATC Insurance Solutions Pty Limited ("ATC"), in which the Group is also a shareholder. This transaction delivered an internal rate of return of 8.8% on the Group's investment in Sterling.

The Group received approximately AU 6.5m (£3.1m) in consideration, which was satisfied entirely in shares in the enlarged ATC Group.

New Investments

During the Period, five new investments were completed. Origination remains predominantly network-driven, with many management team partners already well known to B.P. Marsh. The Group has no preference for specific geographies or products, provided the management team presents a credible business plan capable of delivering attractive returns.

iO Finance Partners Topco Limited ("iO Partners") - UK - April 2025

The Group subscribed for an 8% shareholding in iO Partners for £10m, through a combination of Preferred and Ordinary shares.

iO Partners is pursuing a buy-and-build strategy in the UK alternative financing market for small and medium-sized enterprises.

This segment of the market has historically been underserved by traditional banks due to increasingly stringent capital requirements, despite strong and growing demand for funding. Recent regulatory changes have been favourable for SME lending from alternative sources, such as challenger banks and Long-Term Asset Funds, creating a significant growth opportunity.

The company's model is to acquire established, profitable businesses in niche areas of SME asset finance. These acquisitions bring both existing lending infrastructure and specialist expertise, while iO Partners supports them in addressing their common challenge, securing scalable, long-term funding for SME borrowers.

iO Partners currently has three portfolio companies, as follows:-

- SME Capital - A direct lending platform providing secured loans of £250,000 to £10m, typically with 3- to 5-year terms. Its lending focuses on "event-driven" transactions, such as mergers and acquisitions, management buyouts and growth capital.
- Seneca Trade Limited - a stock inventory financing business, enabling SMEs to purchase and hold stock without tying up working capital.
- Provira Limited - a specialist lender offering advances secured against estate assets.

iO Partners' portfolio collectively managing a current annualised loan book of £124m. While each business is profitable, their growth is constrained by access to scalable, long-term funding sources.

B.P. Marsh believes that iO Partners' combination of targeted acquisitions in specialist SME lending niches and innovative funding solutions positions it strongly to capitalise on structural shifts in the UK SME finance market.

Amiga Specialty Holdings Limited ("Amiga") - UK - June 2025

The Group subscribed for a 49% shareholding in Amiga for a nominal consideration and agreed to provide a five-year £10m loan facility, of which £0.5m was drawn on completion. All further drawdowns are subject to the Group's approval.

Amiga is a start-up entity, which is looking to build an international specialty underwriting agency, offering a diverse portfolio of products across key global markets through both organic growth and a targeted M&A strategy.

Cameron Specialty HoldCo Limited ("Cameron Specialty") - UK - June 2025

The Group acquired a 27.03% shareholding in Cameron Specialty, a London-based underwriting agency, and agreed to provide funding of up to £1.7m through a combination of equity and a loan facility, with the loan partially drawn on completion.

Founded in 2021, Cameron Specialty specialises in UK property insurance, focusing on the commercial combined and property owners sectors.

Post-Period Investments

Since 31 July 2025, the Group has supported XPT Group LLC ("XPT") through two strategic initiatives, enhancing XPT's operational and financial flexibility. These initiatives support XPT's growth strategy and expansion plans, with both vehicles expected to deliver strong risk-adjusted returns:

1) Gambit Risk Finance LLC ("Gambit Re") - USA - August 2025

The Group has invested in Gambit Risk Finance LLC ("Gambit Re"), a newly formed reinsurance vehicle supporting XPT. The Group has committed up to 5m, of which 1.875m was funded on completion, in exchange for a preferred equity shareholding of 8.25%.

Gambit Re will provide limited risk capital to five selected Platinum Specialty Underwriters programmes, supporting XPT's growth strategy and enhancing operational and financial flexibility.

2) XPT Producer Acquisition Co LLC ("XPT Producer Co") - USA August 2025

The Group has invested in XPT Producer Acquisition Co LLC ("XPT Producer Co"), a new platform supporting XPT.

The Group has subscribed to a 35% preferred equity shareholding and committed up to 12.5m in loan funding, of which 3m has been drawn on completion. XPT Producer Co will recruit and incubate experienced revenue-generating producers, accelerating XPT's growth strategy and enhancing operational and financial flexibility.

Follow on Funding and Investments

Pantheon Specialty Group Limited ("Pantheon") - UK

In June 2025, the Group acquired a further 2% stake in Pantheon for a cash consideration of £5.5m, thereby increasing its shareholding from 37% to 39%.

In September 2025, the Group made a further investment, via the provision of loan financing, to support Pantheon's acquisition of a 25% shareholding in Fraction Insurance Brokers Asia Limited ("Fraction"), a newly established Hong Kong-based specialist broker focused on digital asset insurance.

Although still a newly emerging class of business, demand for digital asset insurance is growing quickly as more institutional players enter the sector and regulatory oversight increases. Fraction intends to capitalise on this by offering targeted coverage solutions.

Pantheon has delivered strong performance to date, and the Group expects this positive momentum to continue, with the investment in Fraction further reflecting confidence in Pantheon's ability to identify and execute attractive growth opportunities.

Other Investee Company Highlights

ATC Insurance Solutions PTY Limited ("ATC") - Australia

ATC continues to perform strongly across its product offerings. Since the Group's initial investment in 2018, when ATC produced gross written premium of approximately AU 61m, the business has grown significantly and is budgeting gross written premium in excess of AU 300m for the year ending 30 June 2026.

ATC has transformed into the largest independent underwriting agency in Australia, and the Group expects this growth trajectory to continue.

In May 2025, ATC acquired 100% of Sterling Insurance Pty Limited for AU 33m (£15.7m), of which AU 6.5m (£3.1m) was attributable to B.P. Marsh, which was received via new shares in ATC.

Following the transaction, the Group's shareholding in the ATC Group increased to 27.0%.

Agri Services Company Pty Limited ("Ag Guard") - Australia

Ag Guard continues to expand its product offering and strengthen its position as a specialist agricultural insurance business. In Ag Guard's financial year ended 30th June 2025, the business produced over AU 52m of gross written premium representing 10% growth over prior year.

As part of its strategic expansion, Ag Guard is entering the New Zealand market through the launch of a dedicated entity, Ag Guard Limited (NZ). This will be supported by a new farm insurance product distributed via NZI, one of New Zealand's leading general insurance brands and a business division of IAG New Zealand Limited. This opportunity includes access to NZI's existing farm insurance portfolio of approximately NZ 45m GWP, expected to transfer to Ag Guard at renewal from mid-2025, with a further NZ 55m of GWP anticipated over the subsequent 12-18 months.

The Group remains confident that Ag Guard's strong momentum, combined with its entry into New Zealand in partnership with NZI, positions the business well for continued growth.

Verve Risk Services Limited ("Verve") - UK

Since its establishment, Verve has successfully developed its underwriting capabilities and expanded its market presence. Verve has delivered a strong performance in its year-to-date, having consistently performed ahead of prior year across all metrics.

In September 2025, Verve successfully completed the renewal of its core binder for the 2025/26 period. As part of this process, the structure has been simplified and strengthened, moving from a layered arrangement to a streamlined US 5m primary limit, with HDI Global SE taking over as lead carrier on the panel.

This updated insurance capacity arrangement positions Verve well to continue its momentum in its core lines of business.

New Business Opportunities

The Group continues to benefit from a strong flow of new business opportunities, receiving 36 enquiries in the period to 31 July 2025, compared with 34 in the prior year. As at the date of this update, 14 potential opportunities remain under active review, all of which are aligned with the Group's strategic focus on the insurance and financial intermediary sector.

Investment activity remains concentrated in niche SME markets, where entrepreneurial and experienced management teams are seeking long-term partners. This approach supports sustainable growth and enhances value creation across the portfolio.

With a robust liquidity position and a proven investment track record, the Group is well placed to capitalise on this healthy pipeline and to continue delivering attractive opportunities that will support long-term shareholder returns.

Insurance Market Outlook

The Group continues to closely monitor developments across the insurance sector, with a focus on premium rate movements and the sustained pace of mergers and acquisitions (M&A) activity.

It is now the case that parts of the market are offering, however, the Group's portfolio remains concentrated in

it is now the case that parts of the market are softening, however, the Group's portfolio remains concentrated in specialist risk classes, where pricing is typically more resilient supporting confidence that our investee businesses are well positioned to deliver sustainable growth through the cycle.

Industry consolidation shows no signs of slowing in 2025, creating attractive opportunities for the Group to realise investments, deploy capital into new vehicles, and support expansion within the existing portfolio.

At the same time, entrepreneurial management teams continue to seek long-term investment partners outside of large-scale consolidators. This dynamic is generating a strong pipeline of opportunities for the Group to establish new partnerships and further strengthen its portfolio. We are also seeing indications of accelerating M&A activity across both broking and underwriting organisations.

Liquidity and Loan Portfolio

As at 31 July 2025, Group funds stood at £52.6m (31 January 2025: £74.1m).

In April 2025, the Group received a deferred consideration payment of £9.2m from the disposal of Paladin, increasing the aggregate cash received from the disposal to £53.2m.

In May 2025, the Group disposed of its investment in Sterling to ATC for AU 6.5m (£3.1m). The consideration received by the Group was satisfied entirely in the form of additional equity in the enlarged ATC group.

During the Period, the Group also invested £19.7m in equity funding into the portfolio. £8.6m represented follow-on funding into the existing portfolio, including £5.5m in Pantheon and £3.1m in ATC. The remaining £11.1m was made into new portfolio investments, including £10.0m in iO Partners, £1.1m in Cameron Specialty and £49 (nominal value) in Amiga.

The Group's loan to portfolio company balance increased from £25.6m at 31 January 2025 to £31.1m as at 31 July 2025.

During the Period, the Group provided aggregate loans of £6.0m, either as new loans or drawdowns from existing facilities, including £4.5m to Pantheon, £0.55m to Volt UW Holdco Limited, £0.5m to Amiga, £0.3m to Cameron Specialty, £0.1m to Verve and £0.05m to Ai Marine.

During the Period, the Group also received £0.2m in aggregate loan repayments from Fiducia.

Since 31 July 2025, the Group has invested further equity of £1.4m in Gambit Re and £2.6m in XPT Producer Co. and provided further loan funding of £0.5m to Pantheon.

During the Period, the Group paid dividends totalling £8.0m and undertook £1.0m of share buy-backs.

As at today's date, the current cash and treasury balance is £48.2m and the Group is debt free. Treasury funds are all in one month or less deposit accounts.

For further information on B.P. Marsh, its strategy and current portfolio, please visit www.bpmarsh.co.uk or contact:

B.P. Marsh & Partners Plc
Brian Marsh OBE / Alice Foulk

+44 (0)20 7233 3112

Nominated Adviser & Joint Corporate Broker:
Panmure Liberum Limited
David Watkins / Atholl Tweedie / Amrit Mahbubani

+44 (0)20 7886 2500

Joint Corporate Broker:
Singer Capital Markets Advisory LLP
Charles Leigh Pemberton / Asha Chotai

+44 (0)20 7496 3000

Financial PR & Investor Relations:
Tavistock
Simon Hudson / Katie Hopkins / Kuba Stawiski

bpmarsh@tavistock.co.uk
+44 (0)20 7920 3150

- Ends -

information, please contact ms@seg.com or visit www.ms.com.

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