The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

**20 August 2024** **For immediate release**

**Anexo Group plc**

(‘Anexo’ or the ‘Group’)

**Interim Results for the six months ended 30 June 2024**

*“Continued focus on investment, sustainable growth and provision of high-quality legal services”*

Anexo Group plc (AIM: ANX), the specialist integrated credit hire and legal services provider, is pleased to report its Interim Results for the six months ended 30 June 2024 (‘H1 2024’ or the ‘period’).

It should be noted that, as previously reported, the results for H1 2023 include the contribution from the agreement reached with Volkswagen AG (‘VW’) in relation to the Emissions Claim. The terms of the agreement (as announced on 5 June 2023) are subject to confidentiality restrictions. The agreement resulted in revenues in H1 2023 outside the normal course of historic business, which should be taken into account when comparing H1 2023 and H1 2024.

To aid comparison of these H1 2024 results with H1 2023 we have provided a divisional breakdown in trading performance below.

**Divisional Financial Highlights**

**Revenues**

- Credit Hire revenues increased by 21.8% to £35.2 million (H1 2023: £28.9 million) reflecting higher vehicle activity in the period.
- Legal Services revenues reduced by 31.5% to £33.5 million (H1 2023: £48.9 million), noting the results for H1 2023 include the impact of the agreement reached with VW. The underlying business on a normalised basis grew in H1 2024 compared with H1 2023.

**Profit Before Taxation**

- Credit Hire reported a strong improvement in profit before tax, reaching £4.1 million (H1 2023: £2.2 million) an increase of 86.4%, reflecting both increased vehicle activity in the period and continued cost control.
- Legal Services profit before tax was £3.3 million (H1 2023: £14.2 million) as the investment in staffing continued (a 10.3% increase in headcount was reported in H1 2024), whilst H1 2023 included the impact of the agreement reached with VW.

**Group Financial Highlights**

| | H1 2024 | H1 2023 | Movement |
|---|---|---|---|
| Revenues [1] | **£68.7 million** | £77.8 million | -11.7% |
| Profit before taxation [1] | **£5.9 million** | £15.2 million | -61.2% |
| Cash collections | **£83.7 million** | £77.4 million | +8.1% |
| Net debt | **£67.9 million** | £61.2 million | +10.9% |
| Basic EPS [1] | **3.7 pence** | 8.6 pence | -57.0% |

*1. The results for H1 2023 include the impact of the agreement of the VW Emissions Case.*

- Cash collections from settled cases increased 8.1% to £83.7 million (H1 2023: £77.4 million). This excludes the legal fees associated with the VW Emissions Claim and reflects also the continued investment in staff and infrastructure across the Group.
- The Group generated £4.7 million in Net Cash from Operating Activities (H1 2023: £15.7 million (including the impact of VW); and H2 2023: £1.6 million), an increase of £3.1 million compared with H2 2023.
- A reduction in net debt (including lease liabilities) was reported in 2023 (£5.2 million – including the impact of VW) following the agreement of the VW Emissions Case. Net debt as at 30 June 2024 stood at £67.9 million, unchanged from 31 December 2023 (£67.9 million).
- Revenue from Credit Hire and Housing Disrepair increased by 21.8% and 15.3% respectively in H1 2024. Group revenue was £68.7 million in H1 2024 (H1 2023: £77.8 million (including the impact of VW; and H2 2023: £71.6 million), reflecting growth across our core business activities, noting Group performance was supported in H1 2023 by the impact of the agreement with VW.
- Profit before tax remains in line with management expectations at £5.9 million in H1 2024 in what is traditionally our quieter half (H1 2023: £15.2 million (including the impact of VW); and H2 2023: £7.8 million). The results for H1 2024 reflect an increased level of investment in new vehicle claims (13.2%) and staff within legal services (10.3%) which will drive growth in future cash collections and performance.

**Operational Highlights**

| | H1 2024 | H1 2023 | % movement |
|---|---|---|---|
| **Credit Hire** | | | |
| Revenues (£'000s) | **35,205** | 28,856 | +22.0% |
| Vehicles on hire at the period end (no) | **1,772** | 1,961 | -9.6% |
| Average vehicles on hire for the period (no) | **2,028** | 1,634 | +24.1% |
| Number of hire cases settled | **4,394** | 4,369 | +0.6% |
| New cases funded (no) | **5,770** | 4,920 | +13.2% |
| **Legal Services** | | | |
| Revenues (£'000s) [1] | **33,529** | 48,916 | -31.5% |
| Housing disrepair claims ongoing (no) | **3,880** | 3,291 | +17.9% |
| Housing disrepair claims settled (no) | **1,127** | 884 | +27.5% |
| Legal staff at the period end (no) | **761** | 690 | +10.3% |
| Average number of legal staff (no) | **739** | 693 | +6.6% |
| Total senior fee earners at period end (no) | **287** | 243 | +18.1% |
| Average senior fee earners (no) | **283** | 250 | +13.2% |

*1. The results for H1 2023 include the impact of the agreement of the VW Emissions Case.*

- Vehicle numbers continued to be managed against forecast activity levels to maximise efficient use of working capital, supporting the stabilisation of net debt in the period. This prudent management nevertheless allowed the Group to increase the average number of vehicles on the road (+24.1%), new claims funded (+13.2%) and revenues from Credit Hire (+22.0%). This process has continued into H2 2024, noting the second half has traditionally been positively impacted by seasonality and an increase in activity levels.
- The average number of Group vehicles on the road in H1 2024 reached 2,028, some 24.1% above that seen in H1 2023 (1,634). As at 30 June 2024, vehicle numbers stood at 1,772.
- The Group has reported a robust performance within legal services, driving the increase in cash collections. Staff numbers have risen to 761 as at 30 June 2024. As previously reported, Housing Disrepair continues to be an ever-increasing contributor to the division, with revenues increasing by 14% in the period. The HDR division settled 1,127 claims in H1 2024 (H1 2023: 884) and now has a portfolio of 3,880 claims (H1 2023: 3,291). The costs of acquisition are written off as incurred, supporting future claim settlements and revenues.
- The Group has continued its investment in diesel emissions claims in H1 2024, resulting in active claims against manufacturers including Mercedes Benz, Vauxhall, BMW/Mini, Peugeot/Citroen and Renault/Nissan. By the end of June 2024, the Group had secured claims against Mercedes Benz (where court proceedings have been issued) from approximately 12,000 clients, and a further 25,000 claims against other manufacturers. The potential settlement of these claims is expected to significantly enhance profitability and cashflows, while importantly reducing net debt, although the timing of any negotiations remains uncertain.

**Commenting on the Interim Results, Alan Sellers, Executive Chairman of Anexo Group plc, said:**

"The Group has demonstrated an improvement in performance in the core business, excluding the impact of VW from H1 2023. This is particularly pleasing with a reported 13% increase in new vehicle claims funded and 10% increase in legal staff, the associated costs being expensed as incurred. The results presented here are testament to the quality and expertise of our people, the diversity of the Group's activities and our commitment to investment into future growth and opportunities for the business."

"We are immensely proud to be able to offer social justice and full legal support to our clients and members of the public. Anexo provides assistance to people who find themselves in an invidious position through no fault of their own, whether through being deprived of an essential vehicle or through living in substandard housing conditions, along with the other problems which may be exacerbated by such situations. We remain committed to providing help to those who might otherwise be unable to obtain redress. The credit hire and housing disrepair teams continue to perform with both strength and with a high level of legal expertise, and carry out invaluable work for members of the public in difficult situations, who would not otherwise have access to justice."

"This is an exciting time for the Group, with continued growth in our core business and huge opportunities in class actions and other litigation. As reported today, the Group has secured a meaningful increase in headroom across all our principal funding facilities, allowing the Board to react to opportunities to drive additional shareholder returns. The Board looks to the second half of 2024 and beyond with optimism."

**- Ends -**

**Results Conference Call**

Alan Sellers, Executive Chairman, and Mark Bringloe, Chief Financial Officer, will provide a live presentation via Investor Meet Company on 20 Aug 2024 at 09:00 BST.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 19 Aug 2024, 09:00 BST, or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Anexo Group plc via:

https://www.investormeetcompany.com/anexo-group-plc/register-investor

Investors who already follow Anexo Group plc on the Investor Meet Company platform will automatically be invited. An audio webcast of the conference call with analysts will be available after 12:00 BST today on the Company's website: www.anexo-group.com

**For further enquiries:**


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**(Nominated Adviser & Broker)**
Hugh Morgan/ David Foreman / Darshan Patel (Investment Banking)
Fraser Marshall / Simon Johnson (Corporate Broking)

**Notes to Editors:**

Anexo is a specialist integrated credit hire and legal services provider. The Group has created a unique business model by combining a direct capture Credit Hire business with a wholly owned Legal Services firm. The integrated business targets the impecunious not at fault motorist, referring to those who do not have the financial means or access to a replacement vehicle.

Through its dedicated Credit Hire sales team and network of 1,100 plus active introducers around the UK, Anexo provides customers with an end-to-end service including the provision of Credit Hire vehicles, assistance with repair and recovery, and claims management services. The Group's Legal Services division, Bond Turner, provides the legal support to maximise the recovery of costs through settlement or court action as well as the processing of any associated personal injury claim.

Bond Turner incorporates a number of other specialist legal divisions. One deals with housing disrepair claims acting for clients living in conditions where there is disrepair, damp and mould, and concentrates mainly on the social housing sector. Another focuses on large loss claims, including professional and clinical negligence and complex medical claims. Bond Turner is also involved in group actions including diesel emissions and is currently pursuing claims against Mercedes and several other major manufacturers.

The Group was admitted to trading on AIM in June 2018 with the ticker ANX. For additional information please visit: www.anexo-group.com

**Executive Chairman's Statement**

On behalf of the Board, I am pleased to present Anexo's results for the six-month period ended 30 June 2024. The Group has continued to demonstrate the effectiveness of its business model, concentrating firmly on driving growth and investment in new claims, across multiple disciplines, without the need for meaningful increases in borrowings. Vehicle numbers within the credit hire division continue to be actively managed to forecast levels, while increased case settlements within the legal services division, including HDR, have driven the improvement in cash collections.

**H1 2024 Group Performance**

The Board has remained focused on the effective use of working capital and has actively managed the business to attain its stated goals of driving growth and improving the conversion of profits to free cash. The Group has delivered a strong performance, in line with management expectations, across all key financial metrics and KPIs over the first six months of the year. Whilst we have reported a reduction in revenues and profitability, reflecting the timing of the agreement of the VW Emissions Claim in H1 2023, which is subject to confidentiality arrangements, the underlying businesses have continued to perform well.

**Legal Services Division**

The Group remains committed to its strategy of increasing its claim settlement capacity, thereby maximising cash collections. Accordingly, the Group continued to expand the number of legal staff, which increased by over 10% in the period, reaching 761 at 30 June 2024 (30 June 2023: 690). This figure includes the total of senior fee earners during the period, which stood at 287 as at 30 June 2024 (an increase of over 18% in the period). Investment in new staff inevitably impacts reported performance as costs are incurred on appointment and, as always, revenues from settlements do not reach maturity for some months.

Investment in earlier periods has underpinned continued growth in cash collections, which rose 8% in H1 2024 to £83.8 million (H1 2023: £77.4 million). Revenues from the Legal Services division, which strongly converts to cash, reduced in the period (H1 2024: £33.5 million, H1 2023: £48.9 million) reflecting the impact of the VW agreement in H1 2023, excluding which revenues would show an increase over that reported in H1 2023. First half performance was impacted by the 10% increase in headcount, alongside investment in HDR claims (which increased by 17% in the period) and continued investment in diesel emissions claims.

*Housing Disrepair*

The Group's HDR division continues to report growth in claim numbers and settlements driving revenues. The number of ongoing claims currently stands at approximately 3,900. HDR continued to be cash generative, with the value of fee income generated from settled claims exceeding the investment in staff and marketing costs for the generation of new claims. Net cash generation totalled £1.4 million in H1 2024 (H1 2023: Net cash inflow £0.4 million).

*Emissions Litigation*

Following the positive impact of the Group has felt from its involvement in the Diesel Emissions claims to date, the Group has continued to invest in the marketing of these claims. Bond Turner is now acting for claimants in claims against Mercedes Benz, Vauxhall, BMW/Mini, Peugeot/Citroen and Renault/Nissan.

In each of the claims against each of the respective Manufacturer group of defendants, a Group Litigation Order ("GLO") has been made by the Court and Bond Turner's clients will form part of the respective GLOs, which should facilitate a more efficient legal process to achieve a quicker resolution to the cases.

The Court is case managing all of the emissions claims in a co-ordinated manner, using the Mercedes Case as a 'lead' GLO case, with the intention that it will set precedent for the resolution of the other manufacturer cases. The Court has further appointed three other cases to be Additional Lead GLO's ('ALGLOs'). These are essentially cases which will progress alongside Mercedes to act as reserve cases in the event that Mercedes settles, and to involve additional issues that Mercedes does not but which are relevant to the Group Litigation as a whole. The ALGLOs appointed are Ford, Nissan/Renault and Peugeot/Citroën. There has been a consolidated costs management hearing at which budgets were set for all parties for future costs.

By June 2024, court proceedings had been issued and served by Bond Turner against the Mercedes defendants in approximately 12,000 claims, and approximately 25,000 claims against Vauxhall, BMW/Mini, Peugeot/Citroen and Renault/Nissan. All of these cases will be added to the respective GLO Register of Claimants over the summer. Settlement of these claims is expected to significantly enhance profitability and cashflows although the timing of any negotiations remains uncertain.

The Court is keen to progress these cases as quickly as possible and has set a rigid timetable to do so: disclosure is underway and several trial dates have been set with the first being heard in October 2024 involving several of the manufacturers issued against, dealing specifically with the issue of whether decisions by the German regulatory body (responsible for giving the vehicles 'type approval' to be manufactured and sold) are binding in England and Wales.

In October 2025 liability will be determined raising legal and factual issues of whether the vehicles contained prohibited defeat devices. To assist the Court, this will include the selection and testing of sample vehicles across several manufacturers including Mercedes, Ford, Renault/Nissan and Peugeot/Citroën manufacturers.

Finally in October 2026 a trial will address causation and loss issues. This trial will involve all manufacturers.

**Credit Hire Division**

The Group has continued its policy of accepting only those claims generating best value for the Group and has actively managed the number of new claims accepted to levels which are in line with forecasts and which maintain a conversion of profitability to operating cash flows whilst supporting funding into other group activities such as HDR and emissions.

Having ended 2023 with record activity levels, and with cash collections rising to new record levels, the Group has increased the number of claims funded throughout H1 2024 compared to H1 2023. Claim acceptances increased by 13.2% from 4,920 in H1 2023 to 5,770 in H1 2024 contributing to the strong growth in revenues which are reported at £35.2 million in H1 2024 (H1 2023: £28.9 million). The strong start to the year means that activity in the second half can continue to be managed with the aim of driving growth without the need for significant increases in borrowings. Credit hire remains the mainstay of the Groups' overall performance and vehicle activity is fundamental to managing revenues and profits. The current position and ongoing level of opportunities supports the Group's expectation of strong performance in the second half of the year.

**Dividend**

The Group continues to invest heavily in future opportunities including HDR, Large Loss and Emissions and the Board has therefore resolved that the interests of the Group and its shareholders would be best served by considering the position with regards to payment of a dividend following the preparation of the Group's full year results.

**Outlook**

The focus in the first half of 2024 has been firmly on the conversion of profits to operating cash flows and managing claim acceptances in line with cash collections. The second half of the year is always more significant as a result of seasonality; this has been factored into our forecasts, which indicate that performance in the second half will outperform that of the first half.

The continued growth in cash collections, following ongoing investment in the legal teams and IT infrastructure, allows the Group to increase activity, without the need for significant increases in net debt. Management look to the second half of 2024 and beyond with optimism.

**Post Balance Sheet Events**

In August 2024 the Group agreed a £30m loan facility with Callodine Commercial Finance LLC. The Group has drawn down £20m of this facility, to provide further headroom and to repay the loan provided by Blazehill Capital Limited, the refinancing significantly reducing the overall cost of capital to the Group.

In August 2024 the Group also agreed an increase in the funding available under the facility provided by Secure Trust Bank PLC. Secure Trust have extended the funding period within the £40m facility limit previously agreed.

**Alan Sellers**
**Executive Chairman**
20 August 2024

**Unaudited Consolidated Statement of Comprehensive Income**
**For the period ended 30 June 2024**

| | Note | Unaudited Half year ended 30-Jun-24 £'000s | Unaudited Half year ended 30-Jun-23 £'000s | Audited Year ended 31-Dec-23 £'000s |
|---|---|---|---|---|
| Revenue | 2 | **68,734** | 77,772 | 149,334 |
| Cost of sales | | **(18,867)** | (14,712) | (30,883) |
| **Gross profit** | | **49,867** | 63,060 | 118,451 |
| | | | | |
| Depreciation & profit / loss on disposal | | **(4,296)** | (4,574) | (9,439) |
| Amortisation | | **(19)** | (37) | (69) |
| Administrative expenses | | **(35,241)** | (39,176) | (69,170) |
| **Operating profit** | | **10,311** | 19,273 | 39,773 |
| | | | | |
| **Net financing expense** | | **(4,415)** | (4,085) | (16,733) |
| | | | | |
| **Profit before tax** | | **5,896** | 15,188 | 23,040 |
| Taxation | | **(1,476)** | (5,110) | (7,919) |
| **Profit and total comprehensive income for the period attributable to the owners of the company** | | **4,420** | 10,078 | 15,121 |
| | | | | |
| **Earnings per share** | | | | |
| Basic earnings per share (pence) | | **3.7** | 8.6 | 12.8 |
| | | | | |
| Diluted earnings per share (pence) | | **3.7** | 8.6 | 12.8 |

The above results were derived from continuing operations.

**Unaudited Consolidated Statement of Financial Position**
**At 30 June 2024**

| Assets | Note | Unaudited 30-Jun-24 £'000s | Unaudited 30-Jun-23 £'000s | Audited 31-Dec-23 £'000s |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Property, plant and equipment | 3 | **1,894** | 1,927 | 1,813 |
| Right-of-use assets | 3 | **12,334** | 10,216 | 13,886 |
| Intangible assets | | **52** | 66 | 34 |
| Deferred tax assets | | **112** | 112 | 112 |
| | | **14,392** | 12,321 | 15,845 |
| **Current assets** | | | | |
| Trade and other receivables | 4 | **243,187** | 233,501 | 234,409 |
| Corporation tax receivable | | **533** | 1,161 | - |
| Cash and cash equivalents | | **3,157** | 7,362 | 8,443 |
| | | **246,877** | 242,024 | 242,852 |
| **Total assets** | | **261,269** | 254,345 | 258,697 |
| **Equity and liabilities** | | | | |
| **Equity** | | | | |
| Share capital | | **59** | 59 | 59 |
| Share premium | | **16,161** | 16,161 | 16,161 |
| Retained earnings | | **146,129** | 138,435 | 143,479 |
| **Equity attributable to the owners of the Group** | | **162,349** | 154,655 | 159,699 |
| **Non-current liabilities** | | | | |
| Other interest-bearing loans and borrowings | 5 | **-** | 27,760 | 15,000 |
| Lease liabilities | 5 | **6,539** | 5,842 | 7,968 |
| Deferred tax liabilities | | **-** | - | 32 |
| | | **6,539** | 33,602 | 23,000 |
| **Current liabilities** | | | | |
| Other interest-bearing loans and borrowings | 5 | **57,392** | 30,074 | 47,070 |
| Lease liabilities | 5 | **7,113** | 4,857 | 6,347 |
| Trade and other payables | | **18,136** | 20,398 | 14,811 |
| Corporation tax liability | | **9,740** | 10,759 | 7,770 |
| | | **92,381** | 66,088 | 75,998 |
| **Total liabilities** | | **98,920** | 99,690 | 98,998 |
| **Total equity and liabilities** | | **261,269** | 254,345 | 258,697 |

**Unaudited Consolidated Statement of Changes in Equity**
**For the period ended 30 June 2024**

| | Share capital £'000s | Share Premium £'000s | Retained earnings £'000s | Total £'000s |
|---|---|---|---|---|
| At 1 January 2024 | 59 | 16,161 | 143,479 | 159,699 |
| Profit for the period and total comprehensive income | - | - | 4,420 | 4,420 |
| Dividends | - | - | (1,770) | (1,770) |
| **At 30 June 2024** | **59** | **16,161** | **146,129** | **162,349** |
| At 1 January 2023 | 59 | 16,161 | 130,127 | 146,347 |
| Profit for the period and total comprehensive income | | - | 10,078 | 10,078 |
| Dividends | - | - | (1,770) | (1,770) |
| At 30 June 2023 | 59 | 16,161 | 138,435 | 154,655 |
| Profit for the period and total comprehensive income | - | - | 5,044 | 5,044 |
| At 31 December 2023 | 59 | 16,161 | 143,479 | 159,699 |

**Unaudited Consolidated Statement of Cash Flows**
**For the period ended 30 June 2024**

| | Unaudited Half year ended 30-Jun-24 £'000s | Unaudited Half year ended 30-Jun-23 £'000s | Audited Year ended 31-Dec-23 £'000s |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the period | **4,420** | 10,078 | 15,121 |
| Adjustments for: | | | |
| Depreciation and profit / loss on disposal | **4,296** | 4,574 | 9,439 |
| Amortisation | **19** | 37 | 69 |
| Financial expense | **4,415** | 4,085 | 16,733 |
| Taxation | **1,476** | 5,110 | 7,919 |
| | **14,626** | 23,884 | 49,281 |
| **Working capital adjustments** | | | |
| Increase in trade and other receivables | **(8,778)** | (11,229) | (12,138) |
| Increase in trade and other payables | **3,325** | 7,173 | 1,586 |
| Cash generated from operations | **9,173** | 19,828 | 38,729 |
| Interest paid | **(4,415)** | (4,085) | (16,733) |
| Tax paid | **(70)** | - | (4,605) |
| Net cash from in operating activities | **4,688** | 15,743 | 17,391 |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | **860** | 531 | 757 |
| Acquisition of property, plant and equipment | **(605)** | (717) | (1,277) |
| Investment in intangible fixed assets | **(38)** | (31) | (32) |
| Net cash from / (used in) investing activities | **217** | (217) | (552) |
| **Cash flows from financing activities** | | | |
| Proceeds from new loans | **4,108** | 8,946 | 20,409 |
| Dividends paid | **(1,770)** | (1,770) | (1,770) |
| Repayment of borrowings | **(8,240)** | (19,117) | (26,931) |
| Lease payments | **(4,289)** | (5,272) | (9.153) |
| Net cash from financing activities | **(10,191)** | (17,213) | (17,445) |
| Net decrease in cash and cash equivalents | **(5,286)** | (1,687) | (606) |
| **Cash and cash equivalents at 1 January** | **8,443** | 9,049 | 9,049 |
| **Cash and cash equivalents at period end** | **3,157** | 7,362 | 8,443 |

**Unaudited Notes to the Interim Statements**
**For the period ended 30 June 2024**

## 1. Basis of preparation and significant accounting policies

The condensed consolidated financial statements are prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard ('IAS') 34, 'Interim Financial Reporting'.

The information for the year ended 31 December 2023 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on these accounts was not qualified and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

The condensed unaudited financial statements for the six months to 30 June 2024 have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

The condensed consolidated financial statements have been prepared under the going concern assumption.

The Directors have assessed the future funding requirement of the Group and have compared them to the levels of available cash and funding resources. The assessment included a review of current financial projections to December 2025. Having undertaken this work, the Directors are of the opinion that the Group has adequate resources to finance its operations for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the Interim Report.

## 2. Segmental Reporting

The Group's reportable segments are as follows:

- the provision of credit hire vehicles to individuals who have had a non-fault accident, and
- associated legal services in the support of the individual provided with a vehicle by the Group and other legal service activities, which includes the large loss department and any balance or trading associated with emissions.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

Other Legal Services, housing disrepair and large loss, are subsets of Legal Services. We have however, distinguished the performance of housing disrepair from within Legal Services as this department of the Legal Services segment is an area where the Group is investing heavily, is a focus for the Group at present and into the future and allows readers of the financial statements to understand the contribution housing disrepair has to the overall Group performance. The housing disrepair division continues to grow and as the results become more significant to the overall Group performance this division may well become a reportable segment, in accordance with IFRS 8, in its own right, this could be reported in the 2024 financial statements.

| | Half year ended 30 June 2024 | | | | |
|---|---|---|---|---|---|
| | **Credit Hire £'000s** | **Other Legal Services £'000s** | **Housing Disrepair £'000s** | **Group and Central Costs £'000s** | **Consolidated £'000s** |
| **Revenues** | | | | | |
| Third party | 35,205 | 26,760 | 6,769 | - | 68,734 |
| **Total revenues** | 35,205 | 26,760 | 6,769 | - | 68.734 |
| **Profit before taxation** | 4,100 | 1,816 | 1,475 | (1,495) | 5,896 |
| **Net cash from operations** | 3,806 | 731 | 1,353 | (1,202) | 4,688 |
| **Depreciation** | 3,637 | 678 | - | - | 4,315 |
| **Segment assets** | 175,595 | 71,606 | 13,279 | 789 | 261,269 |
| **Capital expenditure** | 261 | 344 | - | - | 605 |
| **Segment liabilities** | 47,671 | 46,655 | - | 4,594 | 98,920 |

**Half year ended 30 June 2023**

| | Credit Hire £'000s | Other Legal Services £'000s | Housing Disrepair £'000s | Group and Central Costs £'000s | Consolidated £'000s |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Third party | 28,858 | 42,968 | 5,946 | - | 77,772 |
| **Total revenues** | 28,858 | 42,968 | 5,946 | - | 77,772 |
| **Profit before taxation** | 2,233 | 11,578 | 2,639 | (1,262) | 15,188 |
| **Net cash from operations** | 4,153 | 12,233 | 372 | (1,015) | 15,743 |
| **Depreciation** | 3,995 | 616 | - | - | 4,611 |
| **Segment assets** | 170,295 | 71,814 | 10,872 | 1,364 | 254,345 |
| **Capital expenditure** | 420 | 297 | - | - | 717 |
| **Segment liabilities** | 56,339 | 42,887 | - | 464 | 99,690 |

**Year ended 31 December 2023**

| | Credit Hire £'000s | Other Legal Services £'000s | Housing Disrepair £'000s | Group and Central Costs £'000s | Consolidated £'000s |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Third party | 60,778 | 75,875 | 12,681 | - | 149,334 |
| **Total revenues** | 60,778 | 75,875 | 12,681 | - | 149,334 |
| **Profit before taxation** | 6,580 | 13,048 | 6,416 | (3,004) | 23,040 |
| **Net cash from operations** | 11,434 | 5,642 | 3,067 | (2,752) | 17,391 |
| **Depreciation** | 8,076 | 1,432 | - | - | 9,508 |
| **Segment assets** | 177,346 | 68,131 | 12,454 | 766 | 258,697 |
| **Capital expenditure** | 872 | 405 | - | - | 1,277 |
| **Segment liabilities** | 58,223 | 38,261 | - | 2,514 | 98,998 |

**3. Property, Plant and Equipment**

| | Property Improvement £'000s | Fixtures Fittings & Equipment £'000s | Right of Use assets £'000s | Office Equipment £'000s | Total £'000s |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2023 | 637 | 3,444 | 27,986 | 918 | 32,985 |
| Additions | - | 294 | 2,654 | 2 | 2,950 |
| Disposals | (274) | (160) | (8,268) | (291) | (8,993) |
| At 30 June 2023 | 363 | 3,578 | 22,372 | 629 | 26,942 |
| Additions | - | 107 | 8,266 | 271 | 8,644 |
| Disposals | (135) | - | (3,880) | (117) | (4,132) |
| At 31 December 2023 | 228 | 3,685 | 26,758 | 783 | 31,454 |
| Additions | - | 113 | 3,457 | 114 | 3,684 |
| Disposals | - | - | (2,917) | - | (2,917) |
| At 30 June 2024 | 228 | 3,798 | 27,298 | 897 | 32,221 |
| **Depreciation** | | | | | |
| At 1 January 2023 | 357 | 2,014 | 15,329 | 556 | 18,256 |
| Charge for period | 20 | 314 | 3,969 | 60 | 4,363 |
| Eliminated on disposal | (261) | (121) | (7,147) | (291) | (7,820) |
| At 30 June 2023 | 116 | 2,207 | 12,151 | 325 | 14,799 |
| Charge for the period | 15 | 320 | 3,946 | 80 | 4,361 |
| Disposals | (71) | - | (3,225) | (109) | (3,405) |
| At 31 December 2023 | 60 | 2,527 | 12,872 | 296 | 15,755 |
| Charge for the period | 11 | 280 | 4,021 | 78 | 4,390 |
| Disposals | - | - | (2,152) | - | (2,152) |
| At 30 June 2024 | 71 | 2,807 | 14,741 | 374 | 17,993 |
| **Carrying amount** | | | | | |
| **At 30 June 2024** | **157** | **991** | **12,557** | **523** | **14,228** |
| At 31 December 2023 | 168 | 1,158 | 13,886 | 487 | 15,699 |
| At 30 June 2023 | 247 | 1,371 | 10,221 | 304 | 12,143 |

## 4. Trade and Other Receivables

| | Jun-24<br>£'000s | Jun-23<br>£'000s | Dec-23<br>£'000s |
|---|---|---|---|
| Gross claim value (invoiced) | **399,622** | 370,711 | 386,286 |
| Settlement adjustment on initial recognition | **(210,807)** | (174,644) | (205,937) |
| Trade receivables before impairment provision and expected credit loss | **188,815** | 196,067 | 180,349 |
| Provision for impairment of trade receivables | **(20,836)** | (27,654) | (20,812) |
| Net trade receivables | **167,979** | 168,413 | 159,537 |
| Accrued income | **72,477** | 59,861 | 70,091 |
| Prepayments | **1,416** | 6,311 | 1,407 |
| Tax and social security | **-** | - | 449 |
| Other receivables | **1,315** | 885 | 2,925 |
| | **243,187** | 233,501 | 234,409 |

Credit risk arises principally from the Group's trade and other receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The maximum exposure to credit risk equals the carrying value of these items in the financial statements.

Trade receivables stated above include amounts due at the end of the reporting period for which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there has been no significant change in credit quality.

## 5. Borrowings

| | Jun-24 | Jun-23 | Dec-23 |
|---|---|---|---|
| | £'000s | £'000s | £'000s |
| **Non-current loans and borrowings** | | | |
| Revolving credit facility | **-** | 10,000 | - |
| Other borrowings | **-** | 17,760 | 15,000 |
| Lease liabilities | **6,539** | 5,842 | 7,968 |
| | **6,539** | 33,602 | 22,968 |
| **Current loans and borrowings** | | | |
| Invoice discounting facility | **27,140** | 24,598 | 27,858 |
| Revolving credit facility | **10,000** | - | 10,000 |
| Other borrowings | **20,797** | 5,476 | 9,212 |
| Lease liabilities | **6,568** | 4,857 | 6,347 |
| | **64,505** | 34,931 | 53,417 |
| **Total Borrowings** | **71,044** | 68,533 | 76,385 |

Direct Accident Management Limited uses an invoice discounting facility which is secured on the trade receivables of that company. Security held in relation to the facility includes a debenture over all assets of Direct Accident Management Limited dated 11 October 2016, extended to cover the assets of Anexo Group Plc and Edge Vehicles Rentals Group Limited from 20 June 2018 and 28 June 2018 respectively, as well as a cross corporate guarantee with Professional and Legal Services Limited dated 21 February 2018. The Group has recently secured an increase in availability for the facility which is committed through to July 2027. Direct Accident Management Limited is also party to a number of leases which are secured over the respective assets funded.

The revolving credit facility is secured by way of a fixed charge dated 26 September 2019, over all present and future property, assets and rights (including uncalled capital) of Bond Turner Limited, with a cross-company guarantee provided by Anexo Group Plc. The loan is structured as a revolving credit facility which is committed for a three-year period, until 13 October 2024, with no associated repayments due before that date. Interest is charged at 3.25% over the Respective Rate.

In March 2022 the group secured a loan of £7.5 million from Blazehill Capital Finance Limited, with an additional £7.5 million drawn in September 2022. The loan is non amortising and committed for a three-year period. Interest is charged and paid monthly at 13% above the central bank rate. The facility is secured by way of a fixed charge dated 29 March 2022, over all present and future property, assets and rights (including uncalled capital) of Direct Accident Management Limited, with a cross-company guarantee provided by Anexo Group Plc. The Group has recently secured alternative funding from Callodine Commercial Finance LLC to repay Blazehill, provide additional headroom and which significantly reduces the overall cost of capital of the Group.

In June 2023 a loan of £2.8 million was sourced from a number of high-net-worth individuals and certain of the principal shareholders and directors of the Group to support the ongoing investment in 2023 in emissions opportunities. A further £0.7 million was provided in January 2024. The terms of the loan are that interest accrues at the rate of 10% per annum. In addition to the interest charges the loan attracts a share of the proceeds generated for the Group.

**- Ends -**