

15 December 2022

Libertine Holdings PLC
("Libertine" the "Company" or the "Group")

Half year results for the six months ended 30 September 2022

Libertine Holdings PLC (LSE AIM: LIB), a developer of clean, highly efficient, and fuel-flexible Linear Generator products, today announces its half year results for the six months ended 30 September 2022 following Admission to AIM in December 2021.

Highlights

- Delivered £0.6m (H1 FY2021/22: £0.1m) of commercial revenues in the period.
- In December 2022, following initial test results in line with performance expectations, Libertine has despatched a number of systems to customer and strategic partner sites for system integration and performance validation testing from Q1 2023.
- Libertine's LGN120-P1 performance validation prototype linear generator for heavy duty powertrain applications is currently at MAHLE Powertrain to demonstrate clean combustion of hydrogen and fuel flexibility to use Compressed Natural Gas (CNG).
- Agreement of the novation of its Master Consultancy Services Agreement with the General Electric Company (NYSE: GE) to Hyliion Holdings Corp. (NYSE: HYLN). Hyliion has engaged Libertine to support the development of the electrical linear generator for the KARNO generator, to be deployed in Hyliion's Hypertruck powertrain platform.
- Partnership with Italian engine developer OFFICINA MOTO ITALIA to create downsized, power dense Linear Generator products using renewable fuels.
- Memorandum of Understanding (MOU) entered into with Ashok Leyland to evaluate the use of Libertine's technology platform for its commercial vehicle powertrains.
- Investment in core technology development increased in-line with IPO plans, and continued strengthening of our team including the appointment of Peter Wright as an independent Non-Executive Director and Dr. Mohammad Naji as full-time Business Development Officer.
- Award of London Stock Exchange's Green Economy Mark, recognising our contribution to the transition to Net Zero and the essential role of our technology in the decarbonisation of 'hard to electrify' transport applications.

Outlook

Libertine has continued to deliver engineering services to customers across Europe and the US, with increasing engagement with prospective OEM clients and manufacturing partners in the UK, US, Europe and India.

Libertine remains focused on securing long-term relationships with Original Equipment Manufacturers (OEMs), manufacturing and strategic development partners, and supporting OEM development programmes via engineering services ahead of licensing our technology for high volume manufacture.

Having completed the manufacture of performance validation prototype hardware on two separate programmes, we look forward to demonstrating the performance of linear generators in the test cells of our customers and strategic partners.

Sam Cockerill, Chief Executive of Libertine, commented:

“We are pleased to have delivered continued technical progress in the period with the completion of performance validation prototypes on two separate programmes. We are excited about demonstrating the performance benefits and bringing our technology to market.”

“Over the period, we have continued to deliver on our commercial contracts, invest in our technology platform, strengthen our team and enhance our relationships with OEMs and strategic partners. We look forward to providing further updates on commercial and technical progress over the coming months.”

Half year results presentation

Sam Cockerill, Chief Executive Officer, and Gareth Hague, Chief Financial Officer, will be hosting an Investor Meet Company presentation at 2:00pm (UK time) on 15 December 2022. Please sign up via the following link:

<https://www.investormeetcompany.com/libertine-holdings-plc/register-investor>.

For more information, please visit www.libertine.co.uk or contact:

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Notes to editors

Founded in 2009, Libertine has developed a technology platform solution for powertrain Original Equipment Manufacturers (“OEMs”), enabling efficient and clean power generation from renewable fuels. Libertine was admitted to trading on the AIM market of the London Stock Exchange in December 2021. Libertine’s linear electrical machines, controls and developer tools together form a technology platform (intelliGEN™) which the Company provides to customers for the development of clean, highly efficient and fuel-flexible Linear Generator products. The platform is a result of over a decade of development of Linear Generator technology with multiple successful client-led programmes.

The potential market for Linear Generator products goes well beyond the distributed power generation applications where Linear Generators are already in commercial use today, complementing intermittent renewable power with clean, on-demand power generation. Linear Generators also have the potential to complement battery electrification in hybrid powertrains as range extenders, addressing the practical and economic barriers to rapid adoption of clean electric propulsion using battery electric powertrain technology alone. Linear Generator products using Libertine's technology could work alongside battery electrification in a wide range of hybrid systems including:

- Heavy-duty hybrid powertrains of trucks, buses, tractors, construction and mining equipment;
- Medium and light-duty hybrid powertrains of commercial vehicles operating over longer distances;
- A proportion of the passenger automotive market where vehicle use and recharging constraints are a barrier to battery electrification; and
- A wide range of off-grid, portable power and distributed power generation applications.

Libertine receives engineering fees by providing its linear e-machine hardware, controls and developer tools into OEM client product development programmes, and seeks to license its technology for volume production. Working with OEMs from an early stage in the development cycle ensures Libertine's technology is effectively integrated into OEM products, maximising the performance and economic benefits provided by Libertine's platform technology. Libertine has developed a portfolio of over 30 granted patents in addition to a significant body of technical know-how developed since the company's formation in 2009. The Company's senior management team and board includes executives with decades of deep technical experience in the automotive and energy industries.

Chief Executive's Statement

I am pleased to report on our strategic progress and business performance for the six months ended 30 September 2022. Since our fundraising and listing on the London Stock Exchange's AIM market in December 2021, we have continued to invest for growth and support the adoption and use of Libertine's technology by our OEM customers and strategic development partners.

We are pleased to have completed the manufacture of performance validation prototypes on two separate programmes and look forward to demonstrating the performance of linear generators in Q4 of FY2022/23.

Our mission is to bring forward the widespread use of Linear Generators in transport and distributed power applications.

Business Overview

Manufacturers of heavy-duty commercial vehicles have pledged to go "fossil free" by 2040 through a combination of powertrain technologies that include battery electrification, green hydrogen, renewable biofuels and synthetic low carbon "e-fuels". Achieving this will require the rapid deployment of fossil fuel-free capable trucks by 2030; however, this can only happen if there is large demand from transport operators based on the use case economics for such trucks.

Battery electrification is not a universal solution to the problem of decarbonising transport. A number of significant economic barriers prevent trucks powered solely by battery electric powertrain technology from achieving decarbonisation of the heavy goods transport industry, including:

- reduced payload, due to the size and weight of batteries required;
- unproductive miles and hours, to charge the batteries;
- few charging points, creating uncertainty for truck operators and the need for off-route miles; and
- higher vehicle costs, predominantly due to the battery costs.

Libertine has developed a Linear Generator technology platform which has the potential to complement battery electrification within hybrid powertrains, addressing a number of the significant economic barriers set out above. Linear Generators are already in commercial use in distributed power generation applications today, displacing diesel generators due to their favourable operating economics compared to conventional internal combustion engine generators. Libertine's technology will help meet the global need for clean, reliable and affordable transport and electrical power wherever it is needed, transforming the lives of millions of people.

Strategic Priorities

During the period, Libertine has developed and hardened its technology platform and completed the manufacture and delivery of performance validation prototype linear generators on two separate programmes. These systems are in the process of being integrated into customer / partner products, ahead of further testing.

Additional grant funding was awarded during the period to support further development of LGN120, including fuel system adaptations to demonstrate a key differentiator of Linear Generator technology: fuel flexibility. Planned modifications to LGN120 will allow it to run on blends of hydrogen and CNG, and this fuel flexibility has the potential to accelerate the global adoption of such powertrains in advance of the widespread deployment of hydrogen refuelling infrastructure. We look forward to demonstrating this capability during combustion testing at MAHLE Powertrain in Q4 of FY2022/23.

In September 2022, Libertine agreed to the novation of its Master Consultancy Services Agreement with the General Electric Company to Hyliion Holdings Corp.. Hyliion has engaged Libertine to support

the development of the electrical linear generator for the KARNO generator, to be deployed in Hyliion's Hypertruck powertrain platform.

Market Overview

The addressable market for Linear Generators is significant, including over twelve million heavy duty and light duty commercial vehicles, and more than one million distributed power generator sets for energy storage, off-grid and waste-to-energy applications. Libertine's technology platform is scalable across multiple market segments, covering applications from 5-150 kilowatts of electrical power.

During the period, Libertine has completed the manufacture and testing of performance validation prototypes for two separate applications, demonstrating the scalability of our technology platform. We have also experienced increased commercial interest across the range of applications that our technology platform can serve.

Financial Performance

During the period the Group delivered £0.87m of commercial revenue and grant income. The business has continued to deliver operational milestones across revenue and grant contracts and is gaining commercial traction and increased interest from OEMs.

Grant income of £0.22m in the period was in relation to further development of the LGN120 performance validation prototype for heavy duty powertrains. The manufacture and pre-acceptance testing on this project has been completed and the system is in the test cell of our strategic partner, MAHLE Powertrain, ahead of combustion testing.

Commercial revenues of £0.65m were delivered through the on-going work with GE/Hyliion on project KARNO.

In line with the plans set out at IPO, investment in core technology development increased during the period to £0.7m (FY2021/22: £0.2m). The focus of development for the period has been on hardening the LGN-120 platform and our partnership with OFFICINA MOTO ITALIA for the creation of downsized, power dense linear generator products.

As of 30 September 2022, the Group had cash reserves of £4.8m.

Outlook

Libertine has continued to deliver engineering services to customers across Europe and the US, with increasing engagement with prospective OEM clients and manufacturing partners in the UK, US, Europe and India.

Libertine remains focused on securing long-term relationships with OEMs, manufacturing and strategic development partners, and supporting OEM development programmes via engineering services ahead of licensing our technology for high volume manufacture.

Having completed the manufacture of performance validation prototype hardware on two separate programmes, we look forward to demonstrating the performance of linear generators in the test cells of our customers and strategic partners, and bringing our technology to market.

Financial Review

HY2022/23 has seen Libertine convert commercial traction into the delivery of income milestones through our ongoing project with GE/Hyllion. The funds raised at IPO have allowed the business to accelerate its investment, as planned, in core technical development and people, to create a sustainable business model and realise strong growth prospects.

We remain committed to delivering on our current customer programmes and supporting the integration of our technology platform into the products of our customers.

Financial Performance

	HY2022/23	HY2021/22
	£m	£m
Commercial revenue	0.7	0.1
Grant income	0.2	1.0
Total income	0.9	1.1
Cost of sales	(0.8)	(0.9)
Admin expenses	(1.8)	(0.6)
Adjusted EBITDA	(1.7)	(0.4)
Depreciation	(0.1)	-
Net interest charge	-	(0.1)
Loss before tax	(1.8)	(0.5)
Taxation	0.1	0.0
Loss after tax	(1.7)	(0.5)

Revenues and Grant Income

Most of the commercial revenue in the period came from the engineering development with GE (now Hyllion), on the first phase of our joint development agreement. This programme is continuing into the second half of FY2022/23.

Grant income in the period related to the additional grant funding to support further development with MAHLE Powertrain, including fuel system adaptations to demonstrate hydrogen and compressed natural gas ("CNG") fuel flexibility.

Operating Expenses

Administrative expenses increased in the period, because of investment into our technology and engineering teams, as well as incremental costs as a result of the IPO, such as professional fees and insurance costs. As planned, we have continued to invest in our engineering and technology teams to support customer programmes and the technology roadmap.

Adjusted EBITDA

The Adjusted EBITDA loss of £1.7m (HY2021/22: £0.4m) increased on the prior year as a result of planned investment in engineering delivery and core technical development, post the IPO fund raising.

Taxation

The tax credit for the period relates to research and development tax credits. No corporation tax charge has been incurred in the period as a result of the losses before taxation. The Group had £3.4m of unutilised tax losses as at 31 March 2022.

Cash

The Group end of period cash balance for HY2022/23 was £4.8m (HY2021/22: £0.4m). The Group raised £9.0m with the IPO in December, before £1.5m of share issue and Listing costs. The net change in the cash position is detailed in the Statement of Cash Flows.

Accounting policies

The consolidated financial information has been prepared consistently in accordance with International Financial Reporting Standards.

Going Concern

The Directors have undertaken a comprehensive assessment to consider the Group and the Company's ability to trade as a going concern for a period of twelve months from the date of approving the Interim Statement.

The Directors have robustly tested the going concern assumption in preparing the Interim Statement, taking into account the Group's liquidity position as at 30 September 2022 and a number of severe but plausible downside scenarios, which collectively would be considered remote, and remain satisfied that the going concern basis of preparation in the Interim Statement is appropriate.

On the basis of the Group's current financial position and forecast cash flows, the Directors consider and have concluded that the Group and Company will have adequate resources to continue in operational existence for at least the next twelve months from the date of approving the financial statements. Accordingly, they continue to adopt a going concern basis in the preparation of the Interim Statement.

Interim Consolidated Statement of Comprehensive Income
for the six months ended 30 September 2022

	Note	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Revenue	4	648	64
Cost of sales		(617)	(60)
Gross profit		31	4
Other operating income	5	220	983
Administrative expenses		(2,010)	(1,392)
Loss from operations		(1,759)	(405)
Finance income	8	-	7
Finance expense	8	-	(74)
Loss before taxation		(1,759)	(472)
Taxation	9	75	-
Loss for the year and total comprehensive loss for the year attributable to the owners of the company		(1,684)	(472)
Basic and diluted earnings per share (pence)	10	(1.2p)	(0.6p)

The above results were derived from continuing operations.

There are no items of comprehensive income other than the loss for the period and therefore, no statement of other comprehensive income is presented.

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

as at 30 September 2022

		Unaudited As at 30 September 2022 £'000	Unaudited As at 30 September 2021 £'000	Audited As at 31 March 2022 £'000
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment		97	17	54
Right-of-use assets		3	35	19
		100	52	73
Current assets				
Inventory		272	-	107
Trade and other receivables	11	1,425	776	1,192
Corporation tax receivable		278	-	128
Cash and cash equivalents		4,813	385	6,697
		6,788	1,161	8,124
Total assets		6,888	1,213	8,197
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	14	139	-	139
Share premium account	15	10,422	-	10,414
Merger reserve		3,401	3,483	3,401
Share option reserve		351	100	351
Accumulated losses		(8,840)	(4,406)	(7,156)
Total equity		5,473	(823)	7,149
LIABILITIES				
Non-current liabilities				
Borrowings	13	-	767	-
Lease liability, non-current		-	-	-
		-	767	-
Current liabilities				
Trade and other payables	12	1,103	417	886
Deferred income		312	822	150
Lease liability, current		-	30	12
		1,415	1,269	1,048
Total liabilities		1,415	2,036	1,048
Total Equity and Liabilities		6,888	1,213	8,197

The accompanying notes form part of the financial statements.

Interim Consolidated Statement of Changes in Equity

for the six months ended 30 September 2022

	Issued capital £'000	Share premium account £'000	Merger reserve £'000	Share option reserve £'000	Accumulated losses £'000	Total £'000
Balance as at 1 April 2021	-	-	3,483	80	(3,934)	(371)
Total comprehensive loss for the period	-	-	-	-	(472)	(472)
Share option charge	-	-	-	20	-	20
As at 30 September 2021 (Unaudited)	-	-	3,483	100	(4,406)	(823)
Total comprehensive loss for the period	-	-	-	-	(2,750)	(2,750)
Share for share exchange	82	-	(82)	-	-	-
Issue of shares	57	11,094	-	-	-	11,151
Share issue costs	-	(680)	-	-	-	(680)
Share option charge	-	-	-	251	-	251
As at 31 March 2022	139	10,414	3,401	351	(7,156)	7,149
Total comprehensive loss for the period	-	-	-	-	(1,684)	(1,684)
Issue of shares	-	8	-	-	-	8
As at 30 September 2022 (Unaudited)	139	10,422	3,401	351	(8,840)	5,473

Issued capital and share premium account reflect the shares issued by the Company to date.

The merger reserve represents a reserve arising on consolidation, as a result of accounting for the share for share exchange in December 2021.

Share option reserve relates to the cumulative charges for share options.

Accumulated losses reflects the cumulative comprehensive losses of the Company.

Consolidated Statement of Cash Flows
for the six months ended 30 September 2022

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Cash flows from operating activities		
Loss after tax for the year	(1,684)	(472)
Adjustments for:		
Tax credits received	-	111
Depreciation of property, plant & equipment	14	5
Depreciation of right-of-use asset	16	16
Share option charge	-	20
Finance expense	-	74
Finance income	-	(7)
Changes in working capital:		
Increase in inventories	(166)	-
Increase in trade and other receivables	(383)	21
Increase in trade and other payables	379	361
Net cash (used in) / generated from operating activities	(1,824)	129
Cash flows from investing activities		
Purchase of property, plant and equipment	(56)	(12)
Finance income received	-	6
Net cash used in investing activities	(56)	(6)
Cash flows from financing activities		
Payment of lease liabilities	(12)	(17)
Share issue (net of issue costs)	8	-
Interest paid	-	(1)
Net cash used in financing activities	(4)	(18)
Net change in cash and cash equivalents	(1,884)	105
Cash and cash equivalents at the beginning of the year	6,697	280
Cash and cash equivalents at the end of the year	4,813	385

Notes

1. General information and basis of preparation

Libertine Holdings PLC (“Libertine” or the “Company”) is a company incorporated and domiciled in the United Kingdom (registered number 13724783). The Company was incorporated on 5 November 2021 and is a public company limited by shares registered in England and Wales. The address of the Company’s registered office is 1 Coborn Avenue, Tinsley, Sheffield, S9 1DA.

The principal activity of the Company is that of investment holding. The principal activity of the Group is the development of linear electrical machines.

The Interim Statement should be read in conjunction with the Company’s last annual consolidated financial statements as at and for the year ended 31 March 2022.

On 7 December 2021, the Company entered into agreements with all of the shareholders of Libertine FPE Limited for a share for share exchange regarding the Ordinary Shares in Libertine Holdings PLC and Ordinary Shares in Libertine FPE Limited. As a result of this transaction, the ultimate shareholders in the Company received shares in Libertine Holdings PLC in direct proportion to their original shareholding in Libertine FPE Limited.

The transaction was accounted for as a capital reorganisation rather than a reverse acquisition since it did not meet the definition of a business combination under IFRS 3. In a capital reorganisation, the consolidated financial statements of the Group reflect the predecessor carrying amounts of Libertine FPE Limited with comparative information of Libertine FPE Limited presented for all periods since no substantive economic changes have occurred.

The Interim Financial Statement has been prepared in accordance with UK adopted international accounting standards and UK Companies Act 2006.

The financial information for the period ended 30 September 2022 and the period ended 30 September 2021 is unaudited. The comparative financial information for the period ended 31 March 2022 in this interim report does not constitute statutory accounts for that period under 435 of the Companies Act 2006.

2. Going Concern

The Interim Statement has been prepared on a going concern basis.

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous review of financial forecasts and available resources, including funds raised through the listing process.

The Directors have prepared cash flow forecasts for the Group covering at least the twelve-month period from the date of approving the interim statement, which indicate that, taking account of severe but plausible downside scenarios, the Group and the Company will have sufficient funds to meet its liabilities as they fall due for that period.

On the basis of the forecast cash flows, taking into account the funds raised through the listing process, the Directors consider and have concluded that the Group will have adequate resources to continue in operational existence for at least twelve months from the date of approving the Interim Statement. For these reasons they have prepared the Interim Statement on a going concern basis.

3. Accounting policies

The principal accounting policies adopted in preparation of the Interim Statement of the Group have been applied consistently to all period presented.

4. Revenue

Revenue arises from:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
North America	642	64
EMEA	6	-
	<u>648</u>	<u>64</u>

In the period ended 30 September 2022, one customer generated more than 10% of total revenue (30 September 2021: two).

Revenue by category:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Engineering Services	648	64
	<u>648</u>	<u>64</u>

The table below shows how much revenue recognised in the current year relates to carried forward contract liabilities and unsatisfied performance obligations resulting from the long-term contract with customers:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Grant income recognised that was included in the contract liability balance at the beginning of the year	-	383
Aggregated amount of transaction price allocated to unsatisfied performance obligation during in the year	-	-
	<u>-</u>	<u>-</u>

5. Other Operating Income

Other operating income by category:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Grant income	220	983
	<u>220</u>	<u>983</u>

Government Grants

Grant income relates to government grant schemes aimed at supporting industrial research and development to bring new products and technologies to market and support the long-term sustainable growth of businesses. The Group enters into grant schemes to provide funding towards the further development of its technology platform.

6. Operating segments

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. The Company is operated as one business by its executive team, with key decisions being taken by the same leaders irrespective of the geography where work for clients is carried out. Management therefore consider that the Company has one operating segment. As such, no additional disclosure has been presented under IFRS 8.

7. Reconciliation of GAAP to non-GAAP measures

The Group uses a number of 'non-GAAP' figures as comparable key performance measures, as they exclude the impact of items that are non-cash items and also items that are not considered part of ongoing underlying trade. The Group's 'non-GAAP' measures are not defined performance measures in IFRS. The Group's definition of the reporting measures may not be comparable with similar titled performance measures in other entities.

Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") is calculated as follows:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Loss from operations	(1,759)	(405)
Add back:		
Depreciation of property, plant and equipment	14	5
Deprecation of lease asset	16	16
EBITDA	<u>(1,729)</u>	<u>(384)</u>
Add back:		
Operating costs of exceptional nature	-	10
Adjusted EBITDA	<u>(1,729)</u>	<u>(374)</u>

Operating costs of an exceptional nature have been excluded as they are not considered part of the underlying trade. Operating costs of an exceptional nature (to 30 September 2021) include professional fees of £9,900 in connection with the IPO.

Adjusted operating loss is calculated as follows:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Loss from operations	(1,759)	(405)
Add back:		
Operating costs of exceptional nature	-	10
Adjusted loss from operations	(1,759)	(395)

Adjusted loss after tax is calculated as follows:

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Loss after tax	(1,684)	(472)
Add back:		
Operating costs of exceptional nature	-	10
Interest on convertible loan note	-	73
Adjusted loss after tax	(1,684)	(389)

8. Finance income and expense

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Interest receivable	-	7
Interest payable:		
Movement in fair value of convertible loan note	-	(73)
Interest on lease liability	-	(1)
	-	(74)
	-	(67)

9. Taxation

<i>Income taxes recognised in profit or loss</i>	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Current tax		
UK tax credit for the year	75	-
Deferred tax	-	-
Total income tax credit recognised	75	-

The Group was not liable for corporation tax during the past two periods due to taxable losses being sustained in each of the periods reported. The tax credit for the current period relates to research and development tax credits.

The Group has not recognised a deferred tax asset in respect of trading losses incurred to date as the business is developing its products. When there is clear visibility of profits, the Group will recognise the deferred tax assets to the extent that sufficient taxable income will be available.

10. Earnings per share

	Six months ended 30 September 2022 £'000	Six months ended 30 September 2021 £'000
Basic earnings per share		
Loss attributable to equity shareholders of the parent (£'000)	(1,684)	(472)
Weighted average number of shares in issue	139,146,879	82,411,310
Basic loss per share (pence)	(1.2p)	(0.6p)

Basic loss per share is based on the weighted average number of ordinary shares in issue during the period. Diluted loss per share would assume conversion of all potentially dilutive ordinary shares arising from the share schemes detailed in note 16. Due to the losses in both periods there are no potentially dilutive ordinary shares, and therefore there is no difference between the basic and diluted loss per share.

The interim statement information for the six months ended 30 September 2021 represents the historical information prior to a group reorganisation on 23 December 2021 whereby the Company became the parent company of the enlarged group. It is of limited significance to calculate earnings per share on the historical equity of the companies forming the Group prior to the reorganisation.

The weighted average number of shares uses the number of shares in issue on admission to AIM on 23 December 2021. This has been applied retrospectively to the number of shares in issue at 30 September 2021 and the metric has been restated to ensure that the adjusted earnings per share figures are comparable over the two periods.

Adjusted earnings per share

The calculation of adjusted earnings per share is based on the adjusted loss after tax, as presented in note 7. Adjusted earnings per share figures are given to exclude the effects of exceptional items and pre-reorganisation finance costs, all net of taxation, and are considered to show the underlying performance of the Group.

The weighted average number of shares uses the number of shares in issue post admission on 23 December 2021.

	Six months ended 30 September 2022	Six months ended 30 September 2021
Adjusted earnings per share		
Adjusted loss after tax (note 7) (£'000)	(1,684)	(389)
Weighted average number of shares in issue	139,146,879	82,411,310
Basic loss per share (pence)	(1.2p)	(0.5p)

11. Trade and other receivables

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Current		
Trade receivables – gross	47	758
Provision for impairment of trade receivables	-	-
	<u>47</u>	<u>758</u>
Other Debtors	16	-
VAT Debtor	196	-
Prepayments	501	18
Accrued income	665	-
	<u>1,425</u>	<u>776</u>

The Group had no past due trade receivables as at 30 September 2022 (30 September 2021: £nil).

Trade receivables are non-interest bearing and receivable under normal commercial terms. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value and that no impairment is required at the reporting dates. Trade and other receivables represent financial assets and are assessed for impairment on an expected credit loss model. Therefore, there is no expected credit loss provision for impairment at 30 September 2022 (30 September 2021: £nil).

The impairment loss recognised in the income statement for the period in respect of expected credit losses was £nil (HY2021/22: £nil).

12. Trade and other payables

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Trade payables	312	267
Tax and social security payable	48	25
Other payables	23	78
Accruals	720	-
VAT creditor	-	47
	<u>1,103</u>	<u>417</u>

The fair values of the Company's trade and other payables are considered to equate to their carrying amounts.

13. Borrowings

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Current	-	-
Non-current	-	767
	<u>-</u>	<u>767</u>

Movement in net borrowings:

	As at 30 September 2022 £'000	As at 30 September 2021 £'000
Borrowings at 1 April	-	694
Movement in fair value of convertible loan note	-	73
	<u>-</u>	<u>767</u>

In July 2020 the Group issued £600,000 convertible loan notes to four investors with a nominal value of £600,000. The loan notes had a term until July 2023 and a coupon rate of 8%. The loan notes automatically converted to shares in the Company upon a Listing. Had conversion not occurred the loan notes were repayable in full in July 2023. The loan notes were treated as non-current borrowings to match the financial instrument.

On 23 December 2021, the Company issued 10,523,630 Ordinary Shares in Libertine Holdings PLC in settlement of the convertible loan note.

14. Share Capital

	Ordinary Shares (£0.001)	
	Number	£
At 1 April 2021 and 30 September 2021	-	-
Share for share exchange	82,411,310	82,411
Issued	56,407,700	56,408
At 31 March 2022	<u>138,819,010</u>	<u>138,819</u>
Issued	400,000	400
At 30 September 2022	<u>139,219,010</u>	<u>139,219</u>

On 7 December 2021, the Group underwent a reorganisation in which Libertine Holdings PLC became the ultimate parent undertaking of the Group. The reorganisation was performed via a share for share exchange, whereby each previous Ordinary Share in Libertine FPE Limited was exchanged for an Ordinary Share in Libertine Holdings PLC.

On 16 December 2021, the Company issued 154,070 Ordinary Shares in Libertine Holdings PLC for an equity settled transaction valued at £30,000.

On 23 December 2021, the Company issued 10,523,630 Ordinary Shares in Libertine Holdings PLC in

settlement of the convertible loan note. On the same day the Company issued 45,000,000 Ordinary Shares in Libertine Holdings PLC for £0.20 per share as part of its admission to AIM.

On 4 March 2022, the Company issued 730,000 Ordinary Shares in Libertine Holdings PLC for £0.02 per share to settle share options.

On 3 May 2022, the Company issued 400,000 Ordinary Shares in Libertine Holdings PLC for £0.02 per share to settle share options.

15. Share Premium Account

	£'000
At 1 April 2021 and 30 September 2021	-
Issued	11,094
Share issue costs	(680)
At 31 March 2022	10,414
Issued	8
At 30 September 2022	10,422

Share premium is the amount subscribed for share capital in excess of nominal value.

Details of the share transactions are included in note 14. The Company incurred £680,000 of professional fees in connection with its share issue.

16. Share-based payments

Since 2017, before the incorporation of Libertine Holdings PLC, options have been granted by Libertine FPE Limited to directors, employees and suppliers to purchase Ordinary Shares. The Company has issued both EMI and Unapproved share options. The options vest over a period of up to ten years from grant date and are exercisable at the point of the IPO listing.

The EMI scheme is open to all qualifying employees who are an employee within the Group working 25 hours per week, or if less, 75% of their working time. The Group has also issued unapproved options for employees, Directors and suppliers who do not meet the EMI criteria.

The options have varying vesting periods, with shares vesting at the point of the IPO listing. The listing is a necessary condition for exercise.

Details of the option plans are as follows:

	As at 30 September 2022	As at 30 September 2021
Outstanding at beginning of year	6,908,120	482,812
Granted	-	330,000
Forfeited	-	(65,000)
Exercised	(400,000)	-
Outstanding at end of year	6,508,120	747,812

All options had an exercise price of £0.20 when issued. In December 2021, all outstanding options in

Libertine FPE Limited were replaced by options in Libertine Holdings PLC as part of the group reorganisation ahead of the IPO. In advance of the share for share exchange and to ensure parity of the share options with Ordinary Shares in issue, the number of options in issue were increased by a factor of ten, with the exercise price reducing to £0.02 per share.

All other option terms remained the same, and as such there was no difference in fair value at the options replacement date.

The weighted average exercise price on outstanding options at 30 September 2022 is £0.02.

The expected volatility is based on the historical volatility (based on the share price) of comparator companies with publicly available share prices. The risk-free interest rate is based on the average return on ten-year UK gilts. Assumed retention of the options was 100%.

The fair value of each option granted was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

	EMI Scheme	Unapproved Scheme
Fair values at grant dates (per share)	£0.28 - £0.55	£0.28 - £0.46
Share price at grant dates	£0.47 - £0.64	£0.47 - £0.64
Exercise price	£0.02	£0.02
Expected volatility	70%	70%
Option life (expected weighted average life)	1 – 10 years	0 – 2.8 years
Expected dividend	0%	0%
Risk-free interest rate (based on government bonds)	1.12%	1.12%

The total share option charge in the period was £nil (30 September 2021: £20,000).

17. Events after the balance sheet date

No matters have arisen since the balance sheet date.

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