

5 September 2023

Strip Tinning Holdings plc

("Strip Tinning" or the "Company")

Interim Results

Strip Tinning Holdings plc (AIM: STG), a leading supplier of specialist connection systems to the automotive sector, is pleased to announce its unaudited results for the six months ended 30 June 2023¹.

Key Financials:

- Total Revenues of £5.6m (H1 2022: £4.7m)
- Glazing product sales up 23% to £5m (H1 2022: £4.1m)
- EV product sales of £0.6m (H1 2022: £0.6m)
- Combined Gross Margin of £1.5m /26.7% (H1 2022: £0.4m / 8.8%)
- Adjusted² EBITDA of £0.05m (H1 2022: loss of £1.6m)
- Cash generation from operations of £0.1m (H1 2022: -£3.5m); cash balance of £0.7m with no draw down against the CID facility
- Basic EPS³ of (2.85)p versus H1 2022 (17.8)p
- The Board remains confident of meeting market expectations for FY23

Operational updates:

- Completion of new production line for flexible printed circuits ("FPCs")
- Production line benefitted from the £1.4m of funding provided under the Advanced Propulsion Centre's ("APC") Scale-up Readiness Validation ("SuRV") scheme, awarded in September 2022
- Transfer and re-layout of Connectors production into a single building completed, improving productivity
- Multiple further improvements including automation projects, improved ERP functionality, implementation of EDI with our customers, cross training and improved communications

Adam Robson, Executive Chair of Strip Tinning, commented: "I am pleased to be able to report the significant turnaround that the Company has achieved over the last 12 months and the positive outlook we see ahead.

Over the past year, we have focussed on strengthening our business and enhancing our capabilities. We are pleased with the platform for growth that has been developed. Converting these growth prospects into production nominations is now a key priority.

To capitalise to the maximum extent possible on the growth opportunities we see ahead of us and to fully satisfy our customers with delivery of the new production nominations we have won, we plan to continue to ramp-up our investments in people, including engineering, project management, quality sourcing and sales. We remain optimistic about our promising sales pipelines for EV and Glazing beyond 2023, with potential new profitable nominations in the near future."

¹ Comparative numbers for the half year to 30 June 2022 are for Strip Tinning Limited.

² Adjusted for FX impacts, share based payments, restructuring and IPO exceptionals

³ Based on weighted average number of shares in the period

Enquiries:

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A copy of this announcement will be available to view on the Company's website at www.striptinning.com.

Chief Executive's Report

Introduction

I am pleased to be able to report in these results the significant turnaround that the Company has achieved over the last 12 months and the positive outlook we see ahead.

Our key financial metric is Adjusted EBITDA and this has been positive in each of the first six months (H1) of 2023, totalling £0.05m (H1 2022: -£1.6m) a very significant improvement over 2022. The Board is confident that the Company will meet market expectations for the Full Year.

We have also been pleased with our cash performance in H1. Cash generated from operations was near break-even at £0.1m (H1 2022: -£3.5m) and as at 30th June we had no draw-down on our CID facility. We have taken this opportunity to change CID provider to one that gives us lower costs and preferential lending criteria which has improved our actual available credit to about £1.2m based on our current customer receivables book.

There have been a number of key drivers of the improvement in EBITDA, the most significant of which are:

- Increased sales with £5.6m being reported in H1 2023 (H1 2022: £4.7m);
- The price increases we agreed with customers during 2022;
- The leadership of the strengthened senior management team, working under Mark Perrins, our MD who joined us in March 2022; and
- The improvements in productivity, quality and customer service that the team are delivering.

It has been gratifying to see the results of the many improvements we have made to the business being reflected in both our financial results and in our new business pipeline, a key indicator of customer satisfaction. We are now a significantly healthier and more developed Company compared to a year ago. We have grown stronger by successfully navigating through the challenging obstacles and severe headwinds of 2022, which included the Russian invasion of Ukraine, shortages of materials, intense inflationary pressures and the aftermath of COVID. Consequently, we are better placed than ever to capitalise on the increasing momentum we see across the business and our markets.

As ever, I must also thank all of our employees for their determined efforts that have brought us this far and who are the foundation of our successes, past and future.

Market Opportunity

In both the markets we serve, we are seeing an improved market position with strong customer demand and our enhanced competitiveness is opening the door to accelerating growth.

The market for EV battery packs continues to grow at very high rates, supported by the governments' determination to address climate change, consumer enthusiasm and the strategic drive of the automotive industry. For H1 2023, registrations in Europe⁴ (EU, EFTA and UK) of battery electric powered vehicles (full and hybrid) grew by 27.2% year on year (and by 45.0% for full BEVs) meaning that 47.3% of all vehicles registered in this period contained a battery pack. Similar high growth rates are being seen in the mid-market which is our primary target market. In the truck market, registrations in Europe⁵ (EU, EFTA and UK) of battery electric powered vehicles (full and hybrid) grew by 385% year on year (although the total share remains low at 1.8% of all vehicles sold in H1 2023). Investment in new electric mobility and delivery vehicles, from autonomous delivery vans to e-VTOL aircraft continues apace. These mid-market customers are highly attracted to working with European suppliers such as Strip Tinning who can provide local, highly responsive, full service, engineered solutions for their battery pack developments.

For our Glazing connectors business, we benefit from having a high share of higher specification vehicles that we supply onto (including many BEVs), so by capitalising on the higher volume growth rates seen in these vehicle categories as well as higher product prices based on enhanced electrical functionality within the glazing products. Year on year Glazing sales growth in H1 was 23.5% which is higher than the overall growth of 17.6% in vehicle registrations, which is encouraging. We are seeing a two tier structure appear in the industry supply base in Europe with commodity products being increasingly sourced from Asia, whilst the supply base for higher value added products, on which we are focussed, has seen a contraction with smaller competitors leaving the industry and very large competitors refocussing on other larger market segments (such as battery packs).

⁴ ACEA New Passenger Car Registration 19 July 2023
https://www.acea.auto/files/20230719_PRPC_2306-FINAL.pdf

⁵ ACEA New Commercial Vehicle Registration 27 July 2023
https://www.acea.auto/files/20230727_PRCV_Q1-Q2_2023.pdf

Review of Operations

Our operations continue to benefit from the integrated sales, engineering, programme management, purchasing, quality, production and HR team which operates across our site, optimising the skills of the team and the transfer of capabilities and capacity between our two lines of business.

EV

The major step forward made in the first half of 2023 has been the completion of our new production line for flexible printed circuits (FPCs), used primarily in our Cell Contact Systems ("CCS") but also increasingly for high end Glazing connectors. This line benefitted from the £1.4m of funding provided under the Advanced Propulsion Centre's ("APC") Scale-up Readiness Validation ("SuRV") scheme which was awarded to us in September 2022. The line has a capacity of around 180,000 units per annum, depending on the dimensions of the pieces. The new factory layout has this FPC line adjacent to the laminate busbar production line and both lead directly into the CCS assembly and test operations. Investment in these facilities continues, in particular, as we enhance our laser assembly capabilities - requirement is currently estimated at £1.8 million. The total value will depend on the exact size and terms of nominations received over the coming months.

We also continue to engage with a growing number of mid-market actual and prospective customers. We are today producing production parts for two active customer CCS programmes and samples for multiple programmes in development. Total revenues from these activities in H1 were £0.6m (H12022: £0.6m).

Our pipeline for new EV programmes is developing strongly, with leads exceeding our ability to respond in all cases, a factor that emphasises the value of our strict mid-market focus and the significance of our plans to further grow our people resources. At the end of the half year, our Top 15 sales leads (based on strength of engagement) had a total annualised sales value of £88m, with typical annual sales ranging from £1m to £10m+ and with production nomination dates ranging from 2023 to 2026. We remain optimistic that we will be able to announce a next major EV nomination in Q3.

We announced last August the notice purporting to terminate our contract with a Croatian electric vehicle technology innovator for the supply of cell management systems to a leading German OEM. We believe we have reached an amicable settlement with this customer which leaves us free of any further costs arising from this dispute.

Glazing

Sales in H1 were £5.1m (H1 2022: £4.1m) which was ahead of our expectations. This growth is the net outcome of increased prices and demand partially offset by reduced volumes and we have (in agreement with our customers) been stopping production of loss making products. These changes will be completed in H2 2023 and as a result we expect sales in H2 to

be lower than in H1 2023. However, gross margins have improved, from 8.6% in H1 2022 to 27.1% in H1 2023 and further improvement is expected in H2 2023 despite the decline in sales.

Throughout 2022 and into 2023, we have been working on a lean turnaround of our Glazing operations and we are pleased with the progress made which has been a further contributor to the improving gross margins. The most obvious manifestation of these improvements has been the transfer and re-layout of Connectors production into a single building, which has improved productivity and when combined with selective investments to reduce bottle necks has allowed us to stop our night shift production (leaving this to provide a future capacity increase of up to 50%). In addition to this change there have been multiple other improvements including automation projects, improved ERP functionality, implementation of EDI with our customers, cross training and improved communications. In aggregate, our production headcount is now 90 lower than its peak level in November 2023 and we expect to see further rationalisation in H2 2023.

The Glazing business is now looking to return to growth with new production nominations being won or in the pipeline. We are intent on delivering growth in both sales and margins through a focus on higher value added products and our selective pipeline for these types of products is developing strongly. At the end of the half year, our top 15 leads (based on strength of engagement) had a total annualised sales value of £2.9m with production nominations expected over the next 12 months. We are optimistic that this will deliver net Glazing sales growth in 2024 from its low point in H2 2023.

Outlook

For the full year 2023, the Board remains confident of meeting market expectations.

Over the past year, we have focussed on strengthening our business and enhancing our capabilities. We are pleased with the platform for growth that has been developed. Converting these growth prospects into production nominations is a key priority.

To capitalise to the maximum extent possible on the growth opportunities we see ahead of us and to fully satisfy our customers with delivery of the new production nominations we have won, we plan to continue to ramp-up our investments in people, including engineering, project management, quality sourcing and sales. Consequently, we do not expect to deliver profitability ahead of expectations.

Looking beyond 2023, we are greatly encouraged by the strength of our new sales pipelines for both EV and Glazing and we expect to be able to announce material profitable new sales nominations over the coming months.

Financial Review

	£'000	£'000
	H1 2023	H1 2022
Glazing product sales	5,050	4,089
EV product sales	596	588
Total Revenues	5,646	4,677
Gross Margin	1,512	410
Gross Margin %	26.7%	8.8%
Adjusted EBITDA	51	(1,636)
Depreciation	(544)	(687)
Amortisation	(34)	13
FX	(17)	43
Taxation fees	(14)	-
Reorganisation (Staff Exceptionals)	-	(91)
Share Based Payments	(90)	(62)
IPO Exceptionals	-	(382)
Operating Profit / (Loss)	(648)	(2,802)
<i>Financing Costs</i>	<i>(150)</i>	<i>(81)</i>
<i>Tax</i>	<i>357</i>	<i>412</i>
Net Income	(441)	(2,471)

Glazing sales were up 23% compared to H1 2022, with EV sales up over 40% on the same period after stripping out sales attributable to the cancelled Croatian EV contract.

The price rises achieved on the Glazing products combined with progress on materials cost reductions and reduced direct headcount increased gross profit by £1.1m in absolute terms, and gross margin from 8.8% to 26.7%. Overheads increased by 8% in H1 2023, reflecting continued investment in the EV business and full period run rates compared to 2022. The benefit to the business is deemed greater than the percentage increase indicates as the total increase from new hires improving capability and effectiveness was partially offset by combining other roles to improve efficiency, limiting the net headcount cost increase. H1 2023 also benefited from £0.7m of SuRV Grant income.

The combination of an improving external market and the proactive actions taken by the Company have led to a positive adjusted EBITDA for H1 2023 of £0.05m, compared to an EBITDA loss of £1.6m in H1 2022.

Financing costs have increased due to asset finance investments and fees associated with the CID facility, but the Company has benefited from high R&D Tax Credit payments, evidencing the Knowledge Intensive Company status held and additional patent applications are under active review.

Capital investment has been considerable, including for additional Clean Rooms, Ink Jet Printer, upgraded Flexible Printed Circuit wet cell and Automatic Optical Inspection unit to deliver industry leading capabilities.

The stock reduction between H1 2022 and H1 2023 is flattered by provisions made at the 2022 year end, but real improvements have been made in H1 2023 and true reductions in stock holdings are expected to continue in H2 2023, with this a priority focus for management. Debtors have not increased in line with sales growth due to improved debtor collections, with reduced overdues.

The Company has signed a new Confidential Invoice Discounting facility ("CID"). The key terms of the CID are a £1.5m facility limit, based on a 75% advance rate against eligible debtors, at 2.85% above base rate. Cash stood at £0.7m as at 30 June 2023, with no draw down against the CID facility. The Company continues to benefit from the government grant award to assist with the scale-up of the EV business and R&D Tax Credit claims.

Statement of Consolidated Comprehensive Income for the six months ended 30 June 2023

	Note	Unaudited	Unaudited
		Six months ended 30 June 2023	Six months ended 30 June 2022
		£'000	£'000
Revenue	3	5,646	4,677

Cost of sales		(4,134)	(4,267)
Gross profit		<u>1,512</u>	<u>410</u>
Other operating income	4	790	13
Administrative expenses excluding exceptional costs		(2,950)	(2,843)
Exceptional IPO related expenses	5	-	(382)
Total administrative expenses		<u>(2,950)</u>	<u>(3,225)</u>
Operating loss		<u>(648)</u>	<u>(2,802)</u>
Finance costs		(150)	(81)
Loss before taxation		<u>(798)</u>	<u>(2,883)</u>
Taxation	6	357	412
Loss and total comprehensive expense for the period		<u>(441)</u>	<u>(2,471)</u>
Loss per share (pence)			
Basic and diluted	7	<u>(2.85)</u>	<u>(17.8)</u>

Consolidated statement of Financial Position as at 30 June 2023

	Notes	Unaudited 30 June 2023	Audited 31 December 2022	Unaudited 30 June 2022
		£'000	£'000	£'000
ASSETS				
Non-current assets				
Intangible assets		1,193	1,277	1,489
Right-of-use assets		1,201	1,151	1,287
Property, plant and equipment		3,202	2,950	2,936
		<u>5,596</u>	<u>5,378</u>	<u>5,712</u>
Current assets				
Inventories		1,518	1,848	2,316
Trade and other receivables		2,427	3,381	2,155
Corporation tax receivable		386	559	353
Cash and cash equivalents		736	1,290	3,134
		<u>5,067</u>	<u>7,078</u>	<u>7,958</u>
Total assets		<u>10,663</u>	<u>12,456</u>	<u>13,670</u>
LIABILITIES				
Current liabilities				
Trade and other payables		(1,766)	(3,045)	(1,678)
Borrowings		(483)	(553)	(567)
Lease liabilities		(173)	(182)	(177)
		<u>(2,422)</u>	<u>(3,780)</u>	<u>(2,422)</u>

Non-current liabilities

Accruals and deferred income	(24)	(37)	(137)
Borrowings	(846)	(992)	(945)
Lease liabilities	(1,064)	(995)	(1,099)
Provisions	(233)	(227)	(222)
	<u>(2,167)</u>	<u>(2,251)</u>	<u>(2,403)</u>
Total liabilities	<u>(4,589)</u>	<u>(6,031)</u>	<u>(4,825)</u>
Net assets	<u>6,074</u>	<u>6,425</u>	<u>8,845</u>

EQUITY

Share capital	8	154	154	151
Share premium account		6,966	6,966	6,966
Merger reserve		(100)	(100)	(100)
Other reserve		(3)	(3)	-
Retained earnings		(943)	(592)	1,828
Total equity		<u>6,074</u>	<u>6,425</u>	<u>8,845</u>

Consolidated statement of changes in equity

Share capital	Share premium	Merger reserve	Other reserve	Retained earnings	Total equity
£'000	£'000	£'000	£'000	£'000	£'000

	Share capital	Share premium	Merger reserve	Other reserve	Retained earnings	Total equity
At 1 January 2022	100	-	(100)	-	4,237	4,237
Loss and total comprehensive expense for the period	-	-			(2,471)	(2,471)
Shares issued in the period	51	6,966	-	-	-	7,017
Share based payment	-	-	-	-	62	62
At 30 June 2022	151	6,966	(100)	-	1,828	8,845
Loss and total comprehensive expense for the period	-	-	-	-	(2,454)	(2,454)
Shares issued in the period	3	-	-	(3)	-	-
Share based payment	-	-	-	-	34	34
At 31 December 2022	154	6,966	(100)	(3)	(592)	6,425
Loss and total comprehensive expense for the period	-	-	-	-	(441)	(441)
Share based payment	-	-	-	-	90	90

	Share capital	Share premium	Merger reserve	Other reserve	Retained earnings	Total equity
At 30 June 2023	154	6,966	(100)	(3)	(943)	6,074

Consolidated statement of cash flows for the six months ended 30 June 2023

	Unaudited Six months ended 30 June 2023	Unaudited Six months ended 30 June 2022
	£'000	£'000
Cash flow from operating activities		
Loss for the financial period	(441)	(2,471)
<i>Adjustment for:</i>		
Depreciation of property, plant and equipment	435	285
Depreciation of right-of-use assets	109	171
Amortisation of intangible assets	84	229
Amortisation of government grants	(49)	(13)
Share based payment	90	62
Finance costs	150	81
Taxation credit	(357)	(412)

Changes in working capital:

Decrease/(increase) in inventories	330	(302)
Decrease in trade and other receivables	954	1,623
Decrease in trade and other payables	(1,237)	(2,707)
Cash generated from/(used in) operations	<u>68</u>	<u>(3,454)</u>
Income tax received	530	-
Net cash from/(used in) operating activities	<u>598</u>	<u>(3,454)</u>

Cash flow from investing activities

Purchase of property, plant and equipment	(604)	(132)
Purchase of intangible assets	-	(157)
Net cash used in investing activities	<u>(604)</u>	<u>(289)</u>

Cash flow from financing activities

Shares issued (net of issue costs)	-	7,017
Interest paid	(150)	(81)
Payment of lease liabilities	(99)	(114)
Repayment of bank loans	(19)	-
Repayment of capital element of hire purchase contracts	(280)	(282)
Net cash (used in)/generated from financing activities	<u>(548)</u>	<u>6,540</u>

(Decrease)/increase in cash and cash equivalents

	<u>(554)</u>	<u>2,797</u>
Net cash and cash equivalents at beginning of the period	1,290	337

**Net cash and cash equivalents at end of the period
(all cash balances)**

736	3,134
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Notes to the interim consolidated financial statements for the six months ended 30 June 2023

1. Corporate information

Strip Tinning Holdings plc is a public company incorporated in the United Kingdom. The registered address of the Company is Arden Business Park, Arden Road, Frankley Birmingham, West Midlands, B45 0JA.

The principal activity of the Company and its subsidiary (the 'Group') is the manufacture of automotive busbar, ancillary connectors and flexible printed circuits.

2. Accounting policies

Basis of preparation

This unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 and 30 June 2022 have been prepared in accordance with UK adopted international accounting standards ("IFRS") including IAS 34 'Interim Financial Reporting'.

The accounting policies applied by the Group include those as set out in the financial statements for the year ended 31 December 2022 and are consistent with those to be used by the Group in its next financial statements for the year ending 31 December 2023. There are no new standards, interpretations and amendments which are not yet effective in these financial statements, expected to have a material effect on the Group's future financial statements.

The financial information does not contain all of the information that is required to be disclosed in a full set of IFRS financial statements. The financial information for the six months ended 30 June 2023 and 30 June 2022 is unreviewed and unaudited and does not constitute the Group's statutory financial statements for those periods.

The comparative financial information for the full year ended 31 December 2022 has, however, been derived from the audited statutory financial statements for Strip Tinning Holdings plc for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

These policies have been applied consistently to all periods presented, unless otherwise stated.

The interim financial information has been prepared under the historical cost convention with the exception of fair value calculations applied in accounting for share based payments. The financial information and the notes to the historical financial information are presented in thousands of pounds sterling (£'000'), the functional and presentation currency of the Group, except where otherwise indicated.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial information. In adopting the going concern basis for preparing the financial statements, the directors have considered a base case going concern model. The results of this model suggested that with the financing arrangements available to the business and / or realistic mitigating actions, the Group has adequate resources to continue in operational existence. For this reason, the directors continue to adopt the going concern basis in preparing the Group's financial information.

3. Segmental and geographical destination reporting

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the company's chief operating decision maker. The chief operating decision maker is considered to be the executive Directors.

The operating segments are monitored by the chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results. All assets, liabilities and revenues are located in, or derived in, the United Kingdom. In addition to the established automotive glazing products business ('Glazing' segment), the Group has commenced the development and initial sales of components for electric vehicle battery packs ('EV' segment) which are expected to grow to be a material segment. Many of the Glazing products are used on electric vehicles but these remain classified as Glazing not EV products. Separate management reporting and information is prepared at a revenue and gross profit level only for the Glazing and EV segments as follows:

	Glazing	EV	Total
6 months ended 30 June 2023	£'000	£'000	£'000
Revenue	5,050	596	5,646
Cost of sales	(3,680)	(454)	(4,134)
Gross profit	1,370	142	1,512

	Glazing	EV	Total
6 months ended 30 June 2022	£'000	£'000	£'000
Revenue	4,089	588	4,677
Cost of sales	(3,736)	(531)	(4,267)
Gross profit	353	59	412

Turnover with the largest customers (including customer groups) representing in excess of 10% of total revenue in the period for 2 customers (2022: 3 customers) has been as follows:

	Six months ended 30 June 2023	Six months ended 30 June 2022
	£'000	£'000
Customer A	1,575	908
Customer B	711	1,060
Customer C	491	555

All revenue arises at a point in time and relates to the sale of automotive busbar, ancillary connectors and flexible printed circuit product. Turnover by geographical destination is as follows:

	Six months ended 30 June 2023	Six months ended 30 June 2022
	£'000	£'000
UK	706	418
Rest of Europe	2,738	2,842
Rest of the World	2,202	1,417
	<u>5,646</u>	<u>4,677</u>

4. Other operating income

	Six months ended 30 June 2023	Six months ended 30 June 2022
	£'000	£'000
Government revenue development grants	741	-
Amortisation of capital grants	49	13
	<u>790</u>	<u>13</u>

The group was awarded a £1.484m UK innovation development grant in respect of revenue expenditure with £741,000 recognised against eligible costs in the period. £389,000 was recognised in the second half of 2022 with £354,000 expected to be recognised in the remainder of 2023.

5. Exceptional costs

Six months ended 30 June 2023	Six months ended 30 June 2022
£'000	£'000

IPO related costs	-	382
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The directors consider that the specific professional fees and costs incurred in preparation for the IPO and connection with the admission process are exceptional as they are non-recurring in nature and not related to the underlying trading. The majority of the fees were recorded against the share premium account as they relate to the new shares issued with the balance expensed.

6. Income tax

	Six months ended 30 June 2023	Six months ended 30 June 2022
	£'000	£'000
<i>Current tax:</i>		
UK corporation tax	78	74
Adjustments in respect of prior periods	279	-
Total current tax credit	<u>357</u>	<u>74</u>
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	-	338
		-
Total deferred tax credit	<u>-</u>	<u>338</u>
Total tax credit	<u>357</u>	<u>412</u>

The credit for the period can be reconciled to the loss for the period as follows:

Six months ended 30 June 2023	Six months ended 30 June 2022
£'000	£'000

Loss before taxation	(798)	(2,883)
	<hr/>	<hr/>
Income tax calculated at 22% (2022: 19%)	(176)	(548)
Expenses not deductible	20	88
Enhanced research and development allowances	(12)	(32)
Enhanced capital allowances	(20)	(6)
Deferred tax not recognised	110	220
Adjustments in respect of prior periods	(279)	-
Effect of differing deferred tax and current period tax rates	-	(134)
	<hr/>	<hr/>
Total tax credit	(357)	(412)

The tax rate used to calculate deferred tax is 25% at 30 June 2023 (2022: 25%), being the rate at which the timing differences were expected to unwind based on enacted UK corporate tax legislation at each balance sheet date.

A deferred tax asset has not been recognised for losses carried forward as, the key accounting judgement made is that it is not yet considered sufficiently probable that the losses will be utilised in the short term.

7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	Six months ended 30 June 2023	Six months ended 30 June 2022
	£'000	£'000

Loss for the purpose of basic and diluted earnings per share being net loss attributable to the shareholders	(441)	(2,471)
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**Six months
ended 30 June
2023**

**Six months
ended 30
June 2022**

Number of shares

Weighted average number of ordinary £0.01 shares for the purposes of basic and diluted loss per share	15,459,714	13,895,056
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There were options in place over 734,505 shares at 30 June 2023 (2022: 254,051) that were anti-dilutive at the period end but which may dilute future earnings per share.

8. Share capital

The movements in share capital have been as follows:

	Number of £0.01 shares	Nominal £'000	Share premium £'000
Share issued on incorporation	1	-	-
Shares issued in exchange for Strip Tinning Limited shares	9,999,999	100	-
EIS and VCT placing shares issued at £1.85 each	2,702,702	27	4,973
Other placing shares issued at £1.85 each	1,621,622	16	2,984
Exercise of options at £0.116 each	813,045	8	86
Share issue costs			(1,077)

At 30 June 2022	15,137,369	151	6,966
Shares issued to employee benefit trust at £0.01 each	322,345	3	-
At 31 December 2022 and 30 June 2023	<u>15,459,714</u>	<u>154</u>	<u>6,966</u>