18 September 2023

Facilities by ADF plc

("Facilities by ADF", “ADF”, the "Company" or the “Group”)

Half year results for the six months ended 30 June 2023

Facilities by ADF, the leading provider of premium serviced production facilities to the UK film and high-end television industry (“HETV”) announces its unaudited half year results for the six months ended 30 June 2023 (“H1-FY23”).

Financial highlights

£Ms	H1-FY23	H1-FY22	Change	FY-22
Group revenue	21.8	12.6	+73%	31.4
Adjusted EBITDA*	5.8	2.6	+117%	8.0
Adjusted EBITDA %	27%	21%	+540bps	25%
Profit Before Tax	2.7	1.3	+118%	4.6
Earnings per share - basic	3.20 pence	1.52 pence	+111%	6.1 pence

- Interim dividend proposed of 0.5 pence per share (H1-FY22 – 0.46 pence per share) to be paid on 27th October to shareholders on the register on close business on 6th October 2023.

Percentages are based on underlying, not rounded, figures.

Operational highlights

Client Relationships:

- Experienced increased demand for ADF’s services from global streaming brands such as Netflix, Apple, Disney and Amazon, re-enforcing ADF’s position as the UK’s leading facilities provider.

- Supported 46 high-profile productions including The Crown season 6, Slow Horses, Star Wars Andor, The Gentleman, Rivals, The Diplomat, Industry, Paris Has Fallen, The Famous Five, Back to Black and Sex Education.

Continued Growth:

- Officially opened ADF’s new flagship central hub at Longcross, Surrey, highlighting the Company’s commitment to its growth strategy.

- Added 108 units to the fleet in H1-FY23, bringing the total to 700 units, fully leveraging the current enhanced super-deduction capital allowance regime.

Location One Integration:

- Acquired in Nov-22, Location One is now fully integrated into the Group. During H1-FY23, Location One opened new branches at Longcross, Bridgend, and Glasgow.

- The enlarged Group is cross-selling to an increasing number of HETV companies in the UK, delivering services in a more efficient way, and moving the Company closer to its goal of becoming a one-stop shop for film and HETV production.

Margin Improvement:

- ADF worked on larger, longer productions in H1-FY23 compared to H1-FY22, which were more geographically centred around the main London studios making them more efficient from a transport and mobilisation perspective. A sustained effort was also made in H1-FY23 to increase the number of 'employed' HGV drivers, as opposed to relying on more costly agency HGV drivers.

- Overall gross margins rose from 33.0% in H1-FY22 to 38.8% in H1-FY23.

Outlook

- Underlying market drivers still providing high confidence that the demand for ADF's services will continue to expand over the medium to long term.

- As announced by the Company on 3 August 2023, the Group remains strongly positioned in its markets with high quality UK productions to sustain the business through the current USA Writers (Writers Guild of America (WAG)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTR)) strikes which have been impacting productions around the globe.

- The Group remains committed to growth and will continue to review acquisition opportunities in line with its strategy.

Commenting, Marsden Proctor, CEO, said: *"The Group delivered a strong first half, building on momentum from FY22. Whilst the Writers Guild of America and Screen Actors Guild strikes are causing a short-term impact on the business, we are confident the Group is in a robust position to capitalise on the opportunity ahead once previous production levels resume."*

**Adjusted EBITDA is the adjusted profit before tax, prior to the addition of finance income and deduction of depreciation, amortisation, and finance expenses. The adjusted EBITDA measurement removes non-recurring, irregular and one-time items that may distort EBITDA. Adjusted EBITDA provides a more normalised metric to make comparisons more meaningful across the Group and other companies in the same industry.*

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company take responsibility for this announcement.

Change of Name of Nominated Adviser and Broker

The Company also announces that its Nominated Adviser has changed its name to Cavendish Securities plc following completion of its own corporate merger.

For further enquiries:

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OVERVIEW OF FACILITIES BY ADF

Facilities by ADF plc is the leading provider of premium serviced production facilities to the UK film and high-end television industry ("HETV"). Its production fleet is made up of 700 premium mobile make-up, costume and artiste trailers, production offices, mobile bathrooms, diners, school rooms and technical vehicles. The Group provides these production facilities and additional services after a planning process with the customer held well in advance of filming. In servicing productions, ADF staff are available on site and each production is allocated an account manager who acts as a single lead point of contact during filming.

In November 2022, ADF acquired Location One Ltd, the UK's largest integrated TV and film location service and equipment hire company, bringing highly complementary services and providing cross selling opportunities to the enlarged Group, as well as delivering efficiencies through central services.

The Group serves customers in an industry that has experienced significant growth in recent years, with additional demand driven by a material rise in the consumption of film and HETV content via streaming platforms such as Netflix, Disney+, Apple TV+ and Amazon Prime. The UK film and TV industry has directly benefited during this growth due to the quality of its production facilities and studios, highly skilled domestic workforce, geography, accessibility to Europe, English language environment and strong governmental support. Major US streaming companies have now set up permanent bases in the UK, with the UK now the film and TV industry’s second largest operation after North America.

CEO review

Overview

The Group delivered an outstanding first half, with high levels of fleet utilisation. We achieved revenue growth of 73% to £21.8 million (H1-FY22 £12.6 million) and adjusted EBITDA of £5.8 million, growth of 117% (H1-FY22 £2.6 million). This evidences the ongoing high level of demand for our products and services, the contribution of Location One since its acquisition in November 2022, and the higher value productions worked on in H1-FY23.

More recently however, the widely published USA Writers (Writers Guild of America (WAG)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTR)) strikes have been impacting productions around the globe. Since July 2023, several film and TV productions in the UK, on which ADF was engaged, have seen stoppages or delays to production, and several others that were scheduled to start filming in Autumn 2023 have now been pushed into early 2024 commencement.

Notwithstanding, the Group's unaffected productions and pipeline are expected to generate revenues for the full year ending 31 December 2023 of no less than £35 million. This assumes there is no resolution to the strikes in H2-FY23. We are continuing to assess the impact on our planned work programme for the remainder of the financial year in conjunction with our production company contacts. Any alleviation of the prevailing strike action may provide the potential for further upside in the current financial year, assuming productions are able to recommence filming relatively soon thereafter.

The Board is confident there will be significant levels of pent-up demand for film and high-end television productions as the situation normalises and with Location One now fully embedded into the Group, we are well placed to benefit given our scale and market leading position.

Market opportunity

We operate in an industry that has experienced significant growth and investment in recent years, underpinned by the success of HETV. Whilst the industrial action has caused a short-term impact, the Board is confident that the underlying market drivers will continue to accelerate once the situation normalises and there will be significant levels of pent-up demand for film and HETV productions akin to that seen after the lifting of the lockdowns imposed during the COVID-19 pandemic. The Group is well placed to benefit given its market leading position.

The significant rise of global streaming platforms such as Apple TV+, HBO Max, Netflix, Disney +, Sky TV and Amazon Prime has culminated in a material increase in the consumption of films and HETV. It is estimated that paid-for streaming services from these companies will exceed £4.2 billion in the UK by 2025 and will overtake, for the first time, traditional paid-for TV packages from Sky, BT, Virgin etc (Source: KPMG). In comparison, streaming spend in the UK was less than £1 billion in 2018.

Investment in new infrastructure in the UK to support demand continues at pace with a number of new studio developments in 2023. Developments at some of the studios where ADF frequently works include:

- Shinfield Studios, Berkshire - 5 new stages were added plus workshop and production offices.
- Pioneer Studios, Glasgow – where ADF has already established a joint base with Location One, are opening more studios.
- Pyramid Studios, Edinburgh – new studio development.
- Sky Studios, Elstree – continued development of an already major complex.

Industry Performance

In terms of the overall performance of film and TV production in the UK, the British Film Institute ("BFI") recently reported for the first half of 2023, the following facts:

- The combined total spend on film and HETV production in the UK for H1-2023 was £2.5 billion from 188 productions.
    - 85 films started shooting during H1-2023. The total UK production spend for these films was £0.8 billion.
    - 103 HETV productions began principal photography in H1-2023 with a total UK spend of £1.7 billion.
- The combined total UK spend on film and HETV productions for the 12 months from July 2022 to June 2023 was £5.4 billion. This is the third highest figure seen since records began. Inward investment productions accounted for £4.5 billion or 83% of the total.

In the first six months of 2023 government tax credits for HETV production in the UK exceeded those for film for the first time since the credits were introduced.

The total production across film and HETV was down on the (record) comparative period in 2022 due in part to the availability of studio space at the start of 2023 with a number of large overruns. In addition, there were some uncertainty over reforms to the tax credit regime for film and TV production at the end of last year. These were however, allayed by Jeremey Hunt in his Spring budget in March 2023 when he re-affirmed the UK government's total commitment to the sector by increasing the overall rate of relief.

Competitive strength

We are already the provider of choice in the UK for large scale and quality productions. This, in the main, has allowed us to select the highest value production contracts available. This market position has taken several years to build, and we have the right infrastructure in place to support continued expansion. The addition of Location One has also made us strategically stronger, evidenced by our financial performance in H1-FY23 and has positioned us well to capture a growing proportion of the expanding market.

The Group experienced an increase in the average revenue per production in H1-FY23 of 32% to £361k (H1-FY22 £274k). ADF's forward order book and pipeline, prior to the onset of the strikes, was full of high value projects, and hence we were very confident of achieving our forecast revenue for the year.

With the onset of the strikes, we have drawn on our strong relationships with both customers and suppliers, and this has been vital during this period of industrial action to understand the impact on our planned programme of work for the remainder of the year.

Notwithstanding the current headwinds, we continue to have a relentless focus on doing the basic things well. Our net promoter score (NPS) continues to be at an exceptional level and is currently at +87, up from +83 at the date of the January 2022 IPO.

The Group continued to support several premier productions throughout H1-FY23, including Black Mirror, Star Wars, Celebrity Bake off, Industry and Slow Horses. Having visibility on such highly acclaimed projects is imperative as we grow and whilst the industrial action has temporarily impacted a number of productions, we still have good visibility of the number of opportunities available to us. Whilst timing is unclear, there have been more positive signs recently from the parties involved in the disputes.

Delivering against growth strategy

The Group continued to successfully execute on our organic growth strategy through further investment into revenue-generating fleet equipment. We added 108 assets to our fleet, bringing the total to 700.

We continue to work closely with our key suppliers, including General Coach Canada, who supply the artists trailers and production offices, DAF, who supply our technical vehicles, tractor units & generators, and

Expandable NL, who provide our flagship double expandable production offices, costume and make-up vehicles, thus ensuring that we continue to deliver the high-quality level of service to our customers.

At IPO, we also emphasised our intention to grow through acquisitions. We approach acquisitions with a robust set of criteria, working within demanding multiples having an element of the consideration that is both deferred and contingent, and, in most circumstances, retaining the management and keeping the brand name unchanged as it serves its customer base.

The acquisition of Location One met all of these criteria and the team is now fully integrated into the Group. During H1-FY23, Location One opened branches at the Group's new operational base in Longcross, Surrey, and also depots in Bridgend, South Wales and Pioneer Studios, Glasgow. It therefore now provides the enlarged Group with both the ability to cross-sell our services to the increasing number of HETV companies with sites in the UK, and also to deliver services in a more efficient way. These new branches have expanded Location One's geographic reach and logistical capabilities, strengthened the enlarged Group's position across the UK, moving the company closer to becoming a one stop shop for film and HETV production.

The IPO raised the Group's profile, and we are now seeing more acquisitive opportunities. We are in discussions with several parties and will continue to review opportunities for complementary additions as they arise.

ESG

ADF is committed to activities that have a positive impact on our employees and society, and we aim to reduce our environmental impact through collaboration with stakeholders towards a low carbon production industry. To achieve this, we are now developing our own ESG strategy, led by our Chair, John Richards, along with the rest of the ADF Board. This is being achieved through the development of a new ESG Governance structure. An external consultant, EthicallyBE, has been retained to assist with the refinement and implementation of the strategy developed by the Board. They will be taking a commercial approach to sustainability and the ESG strategy provides an opportunity to use sustainability as a differentiator and to align our brand, values and purpose – and effectively integrate future acquisitions into the Group.

As part of our journey to ultimately become a carbon-neutral operator in the future, last year we partnered with Creative Zero, a sustainability organisation, to undergo a carbon audit to better understand our impact on the environment. Internal interviews and research are almost complete and Creative Zero has presented the results of the Carbon Audit. This sets out our impact as a business across Scopes 1 and 2, and some of 3, and makes recommendations on potential areas of focus for our path to net zero. These opportunities will be maximised moving forward and the carbon audit footprint will provide the data required for the SECR submission to be prepared by April 2024.

We were proud to have been the first facilities provider in Europe that was approved by Albert, the authority on environmental sustainability for the film and television industry, a clear endorsement of the Group's ESG strategy. Maintaining our Albert approval is as important as ever with many studios only allowing Albert approved vehicles on site. Location One is also an approved Albert supplier.

In H1-FY23, we launched our first Employee Satisfaction Survey to measure and improve employee wellbeing. As part of our ESG strategy, we are in the process of re-launching our Company Values and Mission Statement, to ensure our employees can reach their full potential.

The ESG strategy will drive high levels of compliance across environmental, social and governance factors, and set out where ADF also has the opportunity to lead the market in key areas. Our early strategic focus is on the environment, most specifically the carbon footprint of our business and the drive to net zero; the continuing development of innovative client solutions; health and wellbeing, and an increased focus on knowledge, training, and upskilling.

The Group intends to finalise its ESG strategy in H2-FY23 and will provide an update on progress in due course.

Outlook

The Group delivered an outstanding H1-FY23 performance, with encouraging revenue growth and margin improvement, where we supported a record number of premium productions across the UK.

Whilst the widely publicised writers and actors strike is impacting the Group's H2-FY23 performance, as the filming of several ADF productions have now been delayed until 2024, we believe the impact will only be short-term, and the Group is ready to capitalise on the pent-up demand once the situation normalises.

Marsden Proctor
Chief Executive Officer

Financial performance

Summary

The financial results for the 6 months ended 30 June 2023 reflect a continuation of the strong performance in the second half of FY22. Revenue in the first half of the FY23 of £21.8 million was 73% ahead of the same period in 2022 (£12.6 million), coming in slightly ahead of the Board's expectations.

The revenue of £21.8 million includes £5.2 million from location equipment hire specialist, Location One Limited, our new acquisition in November 2022. Like-for-like sales for the core facilities business, excluding Location One Ltd, were 32% ahead of the same period in 2022.

With the continued high level of revenue visibility from our pipeline and order book, we had forecast, and budgeted, sales for H1-FY23 to be broadly in line with what we achieved. The order book for the second half of FY23 was similarly very strong, however the announcement of USA Writers (Writers Guild of America (WAG)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTR)) strikes has reduced our work programme and pipeline for the remainder of the year.

Profit margins also improved in H1-FY23. The productions ADF worked on in the period were more geographically centred around the main London studios and other studios close to our operational hubs in Wales, Manchester and Glasgow which therefore made them more efficient from a transport and mobilisation perspective.

Furthermore, a sustained effort was made over H1-FY23 to increase the number of employed HGV drivers as opposed to relying on agency HGV drivers. This is reflected in agency driver costs reducing to 9.6% of revenue in H1-FY23 compared to 16.0% in H1-FY22.

Nevertheless, overall direct labour costs remained relatively static at approximately 29% of revenue in both periods. There was some upwards pressure on pay rates at the start of the 2023, and some (below inflation) pay awards were made at that time for a number of employee groups including HGV drivers, mechanics and trailer manufacturing staff. Overheads remained in line with expectation at 12.3% of revenue, slightly up on H1-FY22 of 11.9%.

Net interest expense increased from £284K in H1-FY22 to £625K in H1-FY23. The increase is made up of three elements – additional HP interest of £122K from new HP leases to fund organic growth, £58K from Location One's existing and new HP leases, and £161K interest from the capitalisation of the Longcross lease under IFRS16. Interest rates on HP leases are not variable and fixed at the date the leases are taken out.

Location One continue to integrate into ADFs systems, processes and operating model with the consolidation of IT systems, insurances, HR support, finance procedures and reporting, sales and CRM systems, thus delivering the expected efficiencies. Having one integrated platform for sales has led to successful joint bids for nine productions in H1-FY23. Location One also expanded their geographical footprint with three new locations – two at existing ADF sites (Wales and Longcross) and one at a new site in Glasgow, alongside ADF.

As a result of the above, profit before tax for H1-FY23 was £2.7 million, an increase of 118% over the same period one year earlier (H1-FY22: £1.3 million).

The taxation charge for H1-FY23 of £192k is deferred tax only as the Group currently has excess (super deduction) capital allowances to cover its current taxable profits.

EBITDA

We also measure performance based on EBITDA and Adjusted EBITDA. EBITDA is a common measure used by investors and analysts to evaluate the operating financial performance of companies.

We consider EBITDA and Adjusted EBITDA to be useful measures of operating performance because they approximate the underlying operating cash flow by eliminating depreciation and amortisation. EBITDA and

Adjusted EBITDA are not direct measures of our liquidity, which is shown by our cash flow statement, and need to be considered in the context of our financial commitments.

A reconciliation of reported profit before tax for the period, a direct comparable IFRS measure, to Adjusted EBITDA, is set out below.

Adjusted EBITDA £000's	**H1-FY23**	**H1-FY22**	**FY-22**
Revenue	**21,777**	**12,620**	**31,414**
Profit before tax	2,737	1,253	4,615
Add back:			
Finance expenses	625	284	702
Depreciation	2,350	1,093	2,510
Amortisation	9	0	3
Non-recurring expenses	23	0	78
Share based payments	29	29	59
Adjusted EBITDA	**5,773**	**2,659**	**7,967**
Adjusted EBITDA %	***26.5%***	***21.1%***	***25.4%***

Revenue

ADF's overall revenue increased by 73% in the first half of 2023 compared to 2022. This includes a full 6 months' sales for our new group member Location One Limited. Adjusting for this, ADF's like-for-like facilities sales increased by 32% the first half of 2022.

The table below shows the revenue between the two main facilities hire categories, being Main Packages and Additional Sales, plus other miscellaneous sales. Revenue for Location One is shown separately. The table also shows the percentage uplift in facilities revenue from post-main package 'additional' sales, which has remained relatively consistent at approximately 75% over the relevant periods shown. This is further explained in the following sections.

Turnover £M's	**H1-FY23**	**H1-FY22**	**% Inc**	**FY22**
Facilities - Main packages	£10.1	£7.2	***40%***	£18.5
Facilities - Additional sales	£6.4	£5.3	***21%***	£11.9
Facilities - Other income	£0.1	£0.1	***0%***	£0.3
Facilities - Total	**£16.6**	**£12.6**	***32%***	**£30.7**
Location Equipment hire (Location One)	£5.2	£0.0	***0%***	£0.7
Total Revenue	**£21.8**	**£12.6**	***73%***	**£31.4**
Uplift on main packages % (see explanation below)	***73.7%***	***73.9%***		***75.2%***

Main Package sales

Main packages are agreed with ADF's clients, in most cases several months in advance for the hire of specific items of equipment over a set timeframe. Each type of equipment has a set daily hire rate. The cost of ADF staff required to be onsite to manage and service the equipment is also calculated by reference to a set daily hire rate. The rate card is set and adjusted annually. Main packages are purely to secure and 'pre-book' the equipment and staff. These packages are split into equal fortnightly payments beginning two weeks before commencement of principal filming.

Additional sales

ADF's trailers and staff are typically booked six or more months in advance, and client requirements invariably change in the run up to filming. Often, at the time of booking, scripts have not been finalised and locations have not been agreed. Any additional equipment and staff required closer to and during the filming period, plus the labour & transport cost to move equipment, are then charged out weekly during the filming period. Additional sales include such items as:

- Labour recharges – this is the largest component of additional revenue (typically more than half) and is principally payments for drivers to move trailers and equipment around the various locations on each production.
- Additional trailer hire – incremental ad-hoc vehicles required during the project.
- Fuel recharges – ADF recharges fuel used on productions (with a c.10% admin fee).
- Sundry recharges – consumable products, hand sanitisers, toiletries etc.

Revenue Mix

ADF worked on 46 productions in H1-FY23, the same number as in H1-FY22.

However, there was a significant increase in revenue per production during the period, with the average revenue per production (excluding Location One) in H1-FY23 being £361k, a 32% increase over H1-FY22 (£274k), which reflects working on a number of specific higher value productions with Netflix (Crown season 6), Disney+ (Star Wars Andor) and Apple TV+ (Slow Horses) during H1-FY23.

	H1-FY23		**H1-FY22**	
Revenue by Platform	**£000's**	*%*	**£000's**	*%*
Amazon	£747	***3.4%***	£686	***5.4%***
Apple TV+	£2,378	***10.9%***	£234	***1.9%***
BBC	£3,059	***14.0%***	£2,431	***19.3%***
Disney+	£3,037	***13.9%***	£1,449	***11.5%***
Fox	£0	***0%***	£315	***2.5%***
ITV	£2,671	***12.2%***	£2,246	***17.8%***
Marvel	£0	***0%***	£952	***7.5%***
Netflix	£4,578	***21.0%***	£2,614	***20.7%***
Other Productions	£4,265	***19.5%***	£714	***5.7%***
Sky	£607	***2.7%***	£702	***5.6%***
Total invoiced	**£21,342**	***98.0%***	**£12,343**	***97.8%***
Cross Hire & Other	£435	***1.8%***	£277	***2.2%***
Total revenue	**£21,777**	***100.0%***	**£12,620**	***100.0%***

Split				
ADF	£16,617	*76%*	£12,620	*100%*
Location One	£5,160	*24%*	£0	*0%*
	£21,777	*100%*	**£12,620**	*100%*
ADF Productions (No.)	46		46	
ADF Ave Per Production	£361		£274	

The split of productions across the revenue bands is shown below:

Production value	**H1-FY23**	**H1-FY22**	**FY22**
£0 - £500k	37	39	54
£500k - £1.0m	4	6	16

£1.0m - £1.5m	2	1	4
£1.5m - £2.0m	2	0	1
£2.0m - £2.5m	0	0	0
£2.5m - £3.0m	1	0	1
	46	**46**	**76**

Share Based Payments & Non-Recurring Expenses

The share-based payments relate to certain options granted to the two current executive directors. The non-recurring expenses relate to the advisory costs in relation to the acquisition of Location One Limited.

Dividend & EPS

The Company declared a final dividend of 0.90 pence per share in June 2023 in relation to the year ended 31st December 2022. This took the total dividend for that year to 1.36 pence per share, with the interim dividend of 0.46 pence per share in October 2022.

Basic earnings per share for H1-FY23 was 3.20 pence per share, an increase of 111% over H1-FY22 (1.52 pence per share).

The Group proposes to pay an interim dividend of 0.5 pence per share in relation to FY-23 (0.46 interim dividend FY-22) to be paid on 27th October 2023 to shareholders on the register on close business on 6th October 2023

Cash Flow & Net Debt

Net cash generated from operating activities was £4.5 million in H1-FY23 compared to £0.3 million in H1-FY22.

Trade and other receivables increased by £0.5 million due to the inclusion of the balances in Location One Ltd, which has a much broader client base.

During the 6 months to 30 June 2023, ADF spent £9.4 million on new equipment, of which £6.0 million was financed by hire purchase and £3.4 million was paid for with cash. This comprised the majority of our planned capital expenditure for FY23 which was accelerated to maximise claims under the very favourable super deduction capital allowance regime. There was a risk this capital allowance regime would be withdrawn from April 2023, but it was extended on a similar but slightly lower level by the Chancellor in his Spring budget. The Company now has significant excess capital allowances to offset its corporation tax liabilities.

At 30 June 2023, the Group had committed, un-delivered capex orders of £6.2 million for FY-23. Some £1.0 million of this was delivered in Jul-23, however the remaining £5.2 million has been put on hold, in agreement with our suppliers, for delivery after the writers and artist strikes have been resolved.

In addition, new property leases with an inception value of £0.8 million were capitalised under IFRS16, being the renewal of the lease at the factory unit in Brynmenyn, additional space at the corporate Head Office in Bridgend, and additional capacity at Location One's main operational base in Barking.

Since the onset of the WAG and SAG-AFTR strikes all further capital expenditure has been put on hold until this is resolved.

FACILITIES BY ADF PLC
UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	*Six months ended 30 June 2023 (unaudited) £'000*	*Six months ended 30 June 2022 (unaudited) £'000*
Revenue	3	21,777	12,620
Cost of sales		(13,332)	(8,454)
Gross profit		8,445	4,166
Administrative expenses		(5,031)	(2,600)
Non-recurring expenses	5	(23)	-
Share based payment expense		(29)	(29)
Operating profit		3,362	1,537
Finance expense	8	(625)	(284)
Profit before taxation		2,737	1,253
Taxation		(192)	(112)
Profit for the period		2,545	1,141
Earnings per share for profit attributable to the owners			
Basic earnings per share (£)	6	0.0320	0.0152
Diluted earnings per share (£)	6	0.0298	0.0141

FACILITIES BY ADF PLC
UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	*As at 30 June 2023 (unaudited) £'000*	*As at 31 December 2022 (audited) £'000*
Assets			
Current assets			
Inventories		475	417
Trade and other receivables		3,577	3,045
Cash and cash equivalents		7,251	9,518
Total current assets		11,303	12,980
Non-current assets			
Property, plant and equipment	7	11,901	10,680
Right-of-use assets	8	32,341	25,901
Intangible assets	9	7,280	7,289
Total non-current assets		51,522	43,870
Total assets		62,825	56,850
Liabilities			
Current liabilities			
Trade and other payables		5,464	6,322
Lease liabilities	8	5,732	3,705
Total current liabilities		11,196	10,027
Non-current liabilities			
Other provisions		39	38
Lease liabilities	8	20,221	17,524
Contingent consideration		878	878
Deferred tax liabilities		3,388	2,966
Total non-current liabilities		24,526	21,406
Total liabilities		35,722	31,433
Net Assets		27,103	25,417
Equity			
Called up share capital	11	806	794
Share premium		15,547	15,492
Share based payment reserve		1,681	1,652
Merger reserve		(400)	(400)
Retained earnings		9,469	7,879
Total equity		27,103	25,417

FACILITIES BY ADF PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	*Share Capital £'000*	*Share Premium £'000*	*Share Based Payment Reserve £'000*	*Merger Reserve £'000*	*Retained Earnings £'000*	*Total Equity £'000*
Balance at 01 January 2022		455	787	1,332	(400)	3,322	5,496
Comprehensive Income							
Profit for the year		-	-	-	-	4,612	4,612
Transactions with owners							
Issue of shares on AIM listing	11	300	14,700	-	-	-	15,000
Costs of issue of shares on AIM listing		-	(1,457)	-	-	-	(1,457)
Exercise of options	11	5	-	-	-	-	5
Share based payment charge on AIM listing		-	(261)	261	-	-	-
Share based payment charge on long term incentive program		-	-	59	-	-	59
Deferred tax adjustment						295	295
Business acquisition		34	1,846	-	-	-	1,880
Costs of issue of shares		-	(123)	-	-	-	(123)
Dividends		-	-	-	-	(350)	(350)
Balance at 31 December 2022 *(audited)*		794	15,492	1,652	(400)	7,879	25,417
Balance at 01 January 2023		794	15,492	1,652	(400)	7,879	25,417
Comprehensive Income							
Profit for the year		-	-	-	-	2,545	2,545
Transactions with owners							
Issue of share capital	11	12	55	-	-	-	67
Share based payment charge		-	-	29	-	-	29
Share based payment deferred tax charge	-	-	-	-	-	(230)	(230)
Dividends		-	-	-	-	(725)	(725)
Balance at 30 June 2023 *(unaudited)*		806	15,547	1,681	(400)	9,469	27,103

FACILITIES BY ADF PLC
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Note	*Six months ended 30 June 2023 (unaudited) £'000*	*Year ended 31 December 2022 (audited) £'000*
Cash flows from operating activities			
Profit before taxation from continuing activities		2,737	4,615
Adjustments for non-cash/non-operating items:			
Depreciation of property, plant and equipment	7	879	611
Depreciation of right-of-use assets	8	1,471	1,899
Amortisation of intangible assets	9	9	3
Loss on disposal of property, plant and equipment and right-of-use assets	7/8	183	52
Share based payment charge		29	59
Finance expense	8	625	702
		5,933	7,941
Increase in inventories		(58)	(417)
(Increase)/decrease in trade and other receivables		(532)	259
(Decrease)/increase in trade and other payables		(858)	(3,517)
Cash from operations		4,485	4,266
Net cash generated from operating activities		4,485	4,266
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(2,455)	(4,056)
Purchase of intangible assets		-	(81)
Purchase of right-of-use assets		(972)	(964)
Increase in amounts due from directors		-	(180)
Cost of business acquisition		-	(3,595)
Net cash used in investing activities		(3,427)	(8,876)
Cash flows from financing activities			
Proceeds from issue of shares		67	15,005
Cost of share issue		-	(1,580)
Repayment of borrowings		-	(342)
Cash movements on lease liabilities	8	(2,042)	(2,890)
Interest paid on lease liabilities	8	(625)	(695)
Other interest paid		-	(7)
Dividends paid		(725)	(350)
Net cash used in financing activities		(3,325)	9,141
Net (decrease)/increase in cash and cash equivalents		(2,267)	4,531
Cash and cash equivalents at beginning of period		9,518	4,987
Cash and cash equivalents at end of period		7,251	9,518

FACILITIES BY ADF PLC
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

1 General Information

The principal activity of Facilities by ADF Plc (the "Company") and its subsidiaries (together, the "Group") is the supply of mobile facilities and location equipment hire for television and film productions.

The Company is a public company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 13761460 and the registered address is Ground Floor, 31 Oldfield Road, Bocam Park, Pencoed, Bridgend, United Kingdom, CF35 5LJ.

2 Summary of significant accounting policies

2.1 Basis of preparation

The unaudited interim financial information presents the financial results of the Group for the six-month period to 30 June 2023. This financial information has been prepared in accordance with UK-adopted International Accounting Standards and are presented on a condensed basis. All values are rounded to the nearest thousand (£'000) except where otherwise indicated.

The financial information presented in this interim financial report for the period ended 30 June 2023 does not constitute statutory accounts, within the meaning of section 434 of Companies Act 2006. These interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

The Annual Report and Financial Statements for the year ending 31 December 2022 have been filed with the Registrar of Companies. The Independent Auditor's Report on the Annual Report and Financial Statement ended 31 December 2022 was unqualified.

2.2 Accounting policies

The accounting policies are consistent with those followed in the preparation of the Annual Report and Financial Statements for the year ending 31 December 2022, which are filed with the Registrar of Companies.

2.3 Going concern

The interim financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a 12-month period from the date of approval of these interim financial statements and such forecasts have indicated that sufficient funds should be available to enable the Group to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Furthermore, the Directors have considered the ongoing impact of the current macro-economic factors on the Group's forecast cashflows and liabilities, concluding that these have no material impact on the Group due to the nature of its operations.

2.4 Critical accounting judgements and estimates

The preparation of the interim financial information requires the use of certain critical accounting estimates. It also requires management to exercise judgement and use assumptions in applying the Group's accounting policies. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. Management believe that the estimates utilised in preparing the interim financial information are reasonable and prudent.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the interim financial information are consistent with those followed in the preparation of the Annual Report and Financial Statements for the year ending 31 December 2022 which are filed with the Registrar of Companies.

3 Revenue from contracts with customers

All of the Group's revenue was generated from the provision of services in the UK, apart from hire of facilities revenues totalling £314,371 (2022: £Nil) which were generated in the European Union. Five customers make up 10% or more of revenue in the period ending 30 June 2023 (2022: 4). Management considers revenue is derived from one business stream being that of hire of facilities. As at 30 June 2023 the Group had ceased trading of fuel cards. Fuel cards by ADF was still identified as a separate reporting segment up until this date, as fuel cards were sold in the period to 30 June 2022.

Revenue from customers

	Six months ended 30 June 2023 (unaudited) £'000	*Six months ended 30 June 2022 (unaudited) £'000*
Hire of facilities		
Customer 1	3,059	2,431
Customer 2	4,578	2,614
Customer 3	2,378	234
Customer 4	2,671	2,246
Customer 5	3,037	1,449
All other customers	6,054	3,646
	21,777	12,620

Timing of transfer of goods or services	*Six months ended 30 June 2023 (unaudited) £'000*	*Six months ended 30 June 2022 (unaudited) £'000*
Services transferred over time	21,777	12,530
At a point in time	-	90
	21,777	12,620

4 Segmental reporting

The Group has one reporting segment, being the hire of facilities. During the comparative period, the Group had another reporting segment, being fuel cards by ADF. At 30 June 2023 the Group had ceased trading of fuel cards. Fuel cards by ADF was still identified as a separate reporting segment up until this date. Total assets and liabilities are not provided to the Chief Operations Decision Maker (CODM) in the Group's internal management reporting by segment and therefore are not presented below and information on segments is reported at a gross profit level only. All non-current assets are held in the UK.

	Six months ended 30 June 2023 (unaudited) £'000	*Six months ended 30 June 2022 (unaudited) £'000*
Revenue		
Hire of facilities	21,777	12,530
Fuel by ADF	-	90
	21,777	12,620
Cost of sales profit		
Hire of facilities	(13,332)	(8,372)
Fuel by ADF	-	(82)
	(13,332)	(8,454)
Gross Profit	8,445	4,166

Revenue by geographical destination

	Six months ended 30 June 2023 (unaudited) £'000	*Six months ended 30 June 2022 (unaudited) £'000*
United Kingdom	21,463	12,620
EU	314	-
	21,777	12,620

5 Non-recurring expenses

The Group incurred £23,023 non-recurring expenses during the period to 30 June 2023 (2022: £Nil). The costs in the period relate to additional expenditure in respect of the acquisition of Location 1 Group Limited.

	Six months ended 30 June 2023 (unaudited) £'000	*Six months ended 30 June 2022 (unaudited) £'000*
Non-recurring expenses	23	-

6 Earnings per share

The calculation of the basic earnings per share (EPS) is based on the results attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Diluted EPS includes the impact of outstanding share options.

	Six months ended 30 June 2023 (unaudited) £	*Six months ended 30 June 2022 (unaudited)* £
Profit used in calculating basic diluted EPS	2,545,160	1,142,573
Weighted average number of shares	79,546,645	74,964,087
Diluted weighted average number of shares	85,497,418	80,910,717
Earnings per share	0.0320	0.0152
Diluted earnings per share	0.0298	0.0141

7 Property, plant, and equipment

	Plant and machinery £'000	*Hire Fleet £'000*	*Motor vehicles £'000*	*Computer equipment £'000*	*Leasehold improvement £'000*	*Assets under construction £'000*	*Total £'000*
Cost							
At 1 January 2022	126	5,569	492	11	-	-	6,198
Additions	33	1,984	221	-	-	1,818	4,056
Additions on acquisition	-	2,524	560	-	-	69	3,153
Transfers	-	677	401	-	-	(1,078)	-
Disposals	-	(91)	(58)	-	-	-	(149)
At 31 December 2022	159	10,663	1,616	11	-	809	13,258
Depreciation							
At 1 January 2022	58	1,951	48	4	-	-	2,061
Charge for the year	19	516	74	2	-	-	611
Disposals	-	(63)	(31)	-	-	-	(94)
At 31 December 2022	77	2,404	91	6	-	-	2,578
Cost							
At 1 January 2023	159	10,663	1,616	11	-	809	13,258
Additions	75	1,098	180	5	95	1,002	2,455
Transfers	-	1,114	368	-	-	(1,666)	(184)
Disposals	-	(485)	(173)	-	-	-	(658)
At 30 June 2023	234	12,390	1,991	16	95	145	14,871
Depreciation							
At 1 January 2023	77	2,404	91	6	-	-	2,578
Charge for the year	15	683	172	1	8	-	879
Disposals	-	(349)	(138)	-	-	-	(487)
At 30 June 2023	92	2,738	125	7	8	-	2,970
Net book amount							
At 31 December 2022	82	8,259	1,525	5	-	809	10,680
At 30 June 2023	142	9,652	1,866	9	87	145	11,901

Depreciation is charged to administrative expenses within the statement of comprehensive income.

Leasehold improvements in the period to 30 June 2023, are in respect of improvements made to Kitsmead, Kitsmead Lane, Longcross KT16 0EF. These have been depreciated using a 25% reducing balance rate.

8 Leases

Right-of-use assets

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Assets under construction £'000	Total £'000
Cost						
At 1 January 2022	1,397	137	16,313	22	-	17,869
Additions	6,863	-	3,108	-	1,812	11,783
Business acquisitions	808	24	-	87	-	919
Transfers	-	-	1,085	-	(1,082)	3
At 31 December 2022	9,068	161	20,506	109	730	30,574
Depreciation						
At 1 January 2022	840	57	1,871	6	-	2,774
Charge for the period	251	38	1,602	8	-	1,899
At 31 December 2022	1,091	95	3,473	14	-	4,673
Cost						
At 1 January 2023	9,068	161	20,506	109	730	30,574
Additions	760	-	1,094	-	5,885	7,739
Transfers	-	-	5,005	-	(4,821)	184
Disposals	(17)	-	(14)	-	-	(31)
At 30 June 2023	9,811	161	26,591	109	1,794	38,466
Depreciation						
At 1 January 2023	1,091	95	3,473	14	-	4,673
Charge for the period	433	30	985	23	-	1,471
Disposal	(17)	-	(2)	-	-	(19)
At 30 June 2023	1,507	125	4,456	37	-	6,125
Net book amount						
At 31 December 2022	7,977	66	17,033	95	730	25,901
At 30 June 2023	8,304	36	22,135	72	1,794	32,341

Lease liabilities

	Leasehold Property £'000	Motor Leasehold £'000	Hire Fleet and Motor Vehicles £'000	Equipment £'000	Total £'000
At 1 January 2022	583	91	11,574	17	12,265
Additions	6,770	-	4,165	-	10,935
Business acquisitions	808	24	-	87	919
Interest expense	106	3	585	1	695
Lease payments (including interest)	(172)	(28)	(3,376)	(9)	(3,585)
At 31 December 2022	8,095	90	12,948	96	21,229
At 1 January 2023	8,095	90	12,948	96	21,229
Additions	759	-	6,007	-	6,766
Interest expense	224	1	399	1	625
Lease payments (including interest)	(425)	(32)	(2,186)	(24)	(2,667)
At 30 June 2023	8,653	59	17,168	73	25,953

9 Intangible assets

	Software £'000	*Goodwill £'000*	*Total £'000*
Cost			
At 1 January 2022	-	-	-
Additions through business acquisitions	-	7,211	7,211
Additions	81	-	81
At 31 December 2022	81	7,211	7,292
Amortisation			
At 1 January 2022	-	-	-
Charge for the year	3	-	3
At 31 December 2022	3	-	3
Cost			
At 1 January 2023	81	7,211	7,292
At 30 June 2023	81	7,211	7,292
Amortisation			
At 1 January 2023	3	-	3
Charge for the period	9	-	9
At 30 June 2023	12	-	12
Net book amount			
At 30 June 2023	69	7,211	7,280
At 31 December 2022	78	7,211	7,289

10 Capital commitments and contingencies

Capital and financial commitments

The Group commits to lease agreements in respect of hire facilities over six months in advance, this is due to the nature of the facilities leased.

As at 30 June 2023 the Group committed to new fleet capital expenditure orders of £6.2 million for 2023 and £0.6 million for 2024.

The Group held no other additional capital, financial and or other commitments at 30 June 2023.

11 Share capital

	As at 30 June 2023 (unaudited) £'000	*As at 31 December 2022 (audited) £'000*
Allotted, called up and fully paid		
Ordinary Shares of 1p each (2023: 79.4m; 2022: 45.5m)	794	455
30 million issued Ordinary Shares of 1p in respect of AIM listing	-	300
1.2 million issued Ordinary Shares of 1p in respect of exercised options (2022: 0.5 million)	12	5
3.407 million issued Ordinary Shares of 1p in respect of business acquisition	-	34
Ordinary Shares of 1p each	806	794

All classes of shares have full voting, dividends, and capital distribution rights.

On the 5 January 2022 the shares of the Company were admitted to the London Stock Exchange trading on the UK AIM market. Admission and dealings of the ordinary shares of Facilities by ADF Plc became effective on this date. As part of the listing, and on this date, 30,000,000 new ordinary shares were placed at a price of 50p.

On 4 April 2022 500,000 new ordinary share were issued in respect of options exercised. The options exercised were outstanding prior to the Company's January 2022 IPO, as detailed in the Company's Admission Document, with the majority having been issued in 2016 as part of the Company's Enterprise Management Incentive ("EMI") scheme.

On 30 November 2022, the Group completed the acquisition of 100% of the share capital of Location 1 Group Ltd for consideration of an initial cash payment of £4,429,646 and £1,879,575 consideration paid in shares, through Facilities by ADF Plc. The shares were issued at the share price on the day of the transaction being £0.55p, resulting in an issue of 3,407,400 Ordinary Shares of 1p.

On 9 June 2023 1,200,000 new ordinary shares were issued in respect of options exercised. The options exercised were outstanding prior to the Company's January 2022 IPO, as detailed in the Company's Admission Document, with the majority having been issued in 2020 as part of the Company's Enterprise Management Incentive ("EMI") scheme.

No other options were issued, exercised, or forfeited during the period ending 30 June 2023.

12 Post balance sheet events

On 5 July 2023, a total of 300,000 share options over new Facilities by ADF ordinary shares of £0.01 each were exercised. The options exercised were outstanding prior to the Company's January 2022 IPO, as detailed in the Company's Admission Document, with the majority having been issued in 2020 as part of the Company's Enterprise Management Incentive ("EMI") scheme.

The USA Writers (Writers Guild of America (WAG)) and Actors (Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTR)) strikes have continued post the interim period end to impact productions around the globe. As the strikes have drawn on, several film and TV productions in the UK, on which ADF is currently engaged, have seen stoppages or delays to productions that were scheduled to start filming in autumn 2023, having now been pushed into early 2024 commencement.

Notwithstanding the above effects on productions affected by the USA strikes, revenues from the Group's unaffected productions and pipeline are expected to generate revenues for the full year ending 31 December 2023 of no less than £35 million, assuming there is no resolution to the strikes in the current financial year. ADF continues to assess the impact on its planned work programme for the remainder of the financial year in conjunction with its production company contacts. Any alleviation of the prevailing strike action will provide the potential for further upside in the current financial year.