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Allied Minds PLC
30 September 2022

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Allied Minds plc
("Allied Minds", the **"Group", or** the **"Company")**

Half-Yearly Report for the six months ended 30 June 2022

Allied Minds plc (LSE: ALM), the IP commercialisation company focused on early-stage company development within the technology sector, announces its unaudited interim results for the six months ended 30 June 2022.

Investment and Financial Highlights

- $52.8 million invested in portfolio companies, of which $52.4 million was raised from third-party investors.
- Cash and cash equivalents at 30 June 2022: $10.2 million (FY21: $9.7 million), of which $10.1 million is held within Allied Minds (FY21: $9 million).

Selected Portfolio Company Highlights

- BridgeComm ("BCI") (consolidated subsidiary at 30 June 2022, equity accounted investment after post period end transaction):
    - Post period end, closed a $2 million Series B-2 financing that provides a new ownership structure that will enable BridgeComm ('BCI') to qualify as a US company and bid for US Space Development Agency business as a prime contractor.
    - Revised structure, post period end, reduced Allied Minds' fully-diluted ownership to 39.77% that sets up BCI to potentially deliver substantial upside return.
    - BCI's focus is now on commercialising its technology - which will require approximately $40m and 18 months - and it is currently seeking to raise $10m from interested investors.
    - BCI is in the later stages of bidding on two contracts, either of which could provide further funding of up to $30m.
    - Allied Minds and Aeroequity Industrial Partners ("AEI") have each committed an additional $1m of capital to BCI to finance its activities during the capital raise period.

- Federated Wireless ("Federated") (equity accounted investment):
    - Federated closed a $72 million in Series D financing, giving the business an increased post-money valuation of $302 million.
    - Allied Minds' bridge financing fully converted following the completion of the Series D funding rounds. As a result, Allied Minds' fully-diluted ownership of the issued share capital of Federated Wireless stands at 23.96%.
    - Federated delivered H1 revenue growth in line and EBITDA and cash generation ahead of expectations.
    - Federated Wireless deployed its private wireless and shared spectrum technology to deliver industry-first solutions across new applications:
        - Collaborated with Blue White Robotics and Intel to build an autonomous agriculture solution connected over a private wireless network.
        - Partnered with CalChip Connect to deliver end-to-end solutions and services to power plug-and-play decentralized 5G networks.
    - Post period Federated entered into a partnership agreement with US Real Estate owner, JBG SMITH, demonstrating further ongoing progress.

- OcuTerra (ordinary and preference share holding investment held at fair value):

- Post period, OcuTerra commenced the Phase 2 trial of its non-invasive eyedrops (OTT166), an important milestone in its efforts to develop the first, topical eye drop treatment for diabetic retinopathy.
- OcuTerra continued to strengthen its managerial and clinical team with the appointment of eye care industry veteran, Majid Andersi, MD, as Vice President of Clinical and Medical Affairs.

- Orbital Sidekick ("OSK") (preference share holding investment held at fair value):
  - Signed a contract with one of the largest pipeline operators in North America - Energy Transfer - to deliver recurring monitoring services from its satellites through 2023.
  - Entered an agreement with In-Q-Tel to deliver timely and relevant insights to IQT's government partners.
  - Strong interest from a number of clients wishing to participate in its alpha/beta launch of six satellites in 2023.
  - Orbital Sidekick continues to have investor support and a bank facility to allow it to continue operating until June 2023 with the potential for additional follow-on funding.

- Touch Bistro (ordinary share holding investment held at fair value)
  - On 28 March 2022, Allied Minds announced that it had completed the disposal of its residual shareholding in Touch Bistro for $5.5m CAD ($4.4m USD) in line with its strategy of monetising its investment portfolio.
  - On 23 August 2022, the remainder of the shares held in escrow were released, resulting in cash received of $0.53m CAD.

Corporate Developments

- Reshaped the board following the departure of Harry Rein (Non-Executive Chairman) and Mark Lerdal (Non-Executive Director); Bruce Failing appointed Non-executive Chairman while Sam Dobbyn and Casey McDonald joined as Non-Executive Directors.
- Following a formal review of the Company's strategic options, the Board has considered that a public listing is no longer in the best interests of the Company due to the prohibitively high costs relative to Allied Minds' current size. The Board is now formally consulting with shareholders regarding a possible delisting of the Company.

Bruce Failing, Chairman of Allied Minds, commented:

"Our core focus is to maximize returns for our shareholders by supporting our portfolio companies while maintaining disciplined cost control. Following a formal strategic review of the business, the Board has concluded that the costs of maintaining a public listing are prohibitively high for a company of Allied Minds' current size and we are now consulting with shareholders ahead of a proposed delisting.

"The board remains positive about the prospects of our portfolio companies and their ability to meet their planned technical and commercial goals. We continue to see financing secured (albeit additional financing rounds will be required for BridgeComm and Orbital Sidekick), new contracts signed and partnerships agreed with industry leaders. Our portfolio continues to hold substantial value, which we believe can be realized and returned to shareholders within a timeframe of 18-24 months."

For further information, please contact:

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About Allied Minds

Allied Minds plc is an IP commercialisation company focused on early stage company development within the technology sector. With origination relationships that span US federal laboratories, universities, and leading US corporations, Allied Minds historically created, and now operates and funds, a portfolio of companies to generate long-term value for its investors and stakeholders. Based in Boston, Allied Minds supports its businesses with capital, management, expertise and shared services. For more information, please visit www.alliedminds.com.

Forward looking statements

This 2022 half-yearly report may contain statements that are or may be forward-looking statements, including statements that relate to the Company's future prospects, developments and strategies. The Group considers any statements that are not historical facts as "forward-looking statements". The forward-looking statements are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results, performance and achievements to differ materially from current expectations, including, but not limited to, those risks and uncertainties described in the risk management section of the 2021 Annual Report. These forward-looking statements are made in good faith based on assumptions regarding the present and future business strategies of the Company and the environment in which it will operate in the future and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. Each forward-looking statement speaks only as at the date of this half-yearly report release. Except as required by law, regulatory requirement, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the Company nor any other party intends to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

INTERIM MANAGEMENT REPORT

Overview

Allied Minds is an IP commercialisation company primarily focused on early-stage company development within the technology sector.

We have historically invested in companies at an early stage, including seed investments to build companies based on a technical breakthrough or invention. As such, our investments have significant upside potential, but also carry significant risk inherent in the early-stage model.

There are currently five portfolio investments based upon a broad range of underlying innovative technologies ranging from wireless connectivity to space-based imagery and analytics.

The Group remains focused to execute its plan to maximise the value of its portfolio company interests and deliver well-timed, risk-adjusted returns for its shareholders.

Model

As a manager of a technology-focused portfolio in which we hold significant ownership positions, we seek to provide hands-on support over the life of our companies to support their growth, focusing on enabling and driving commercialisation, supporting follow-on investment rounds, and positioning for superior monetisation opportunities.

We seek to play an active role in developing the strategic direction of our portfolio companies and driving ongoing planning and assessment. Our Non-Executive Directors serve on the boards of directors of our portfolio companies, working with them to develop and implement strategic, operating and funding plans. Following the recent changes to the board of Allied Minds, Bruce Failing currently sits on the board of Federated Wireless, BridgeComm and Orbital Sidekick. In addition, Sam Dobbyn has now been appointed director of Federated Wireless alongside Mr. Failing, while Casey McDonald is due to be appointed to the board of BridgeComm and Sam Dobbyn is due to be appointed to the board of Orbital Sidekick.

We evaluate on an on-going basis the progress and potential of each of the portfolio company's businesses and make strategic and funding decisions based on the regular review of operational and financial performance and the achievement of key milestones. Together with our management, the respective portfolio company boards of directors define the critical milestones, or inflection points, for each portfolio company and measure tangible progress towards commercialisation and the key factors for a successful monetisation event.

Where appropriate, we seek to include partners who validate the market opportunity and can provide support and/or commercial commitments to accelerate, expand and/or de-risk the path to commercialisation. Co-investors in later rounds include financial, strategic and commercial partners.

Strategy

Allied Minds is focused on supporting its existing portfolio companies and maximising monetisation opportunities for portfolio company interests. In March 2022, the Company announced that it was undertaking a formal strategic review, aimed at creating and / or realising shareholder value. As part of this strategic review, the Board has sought to ensure that the Company is being managed in as cost-efficient manner as possible. In conducting this review, the Board considers that the costs of maintaining a premium listing on the Official List and the Main Market of the London Stock Exchange prohibitively high relative to Allied Minds' current size and deem maintaining a public listing is no longer in the best interests of the Company and its Shareholders as a whole.

The Allied Minds Board is now formally consulting with shareholders regarding a possible delisting of the Company. Should the Board decide to proceed with a delisting, the Company will publish a shareholder circular detailing the rationale for the decision and giving notice of a General Meeting at which shareholders will vote on a resolution to delist and will set out the expected timetable for the delisting to become effective if the resolution to delist is passed.

Outlook

There was good technical and commercial progress from certain portfolio companies during the first half of 2022, including a successful funding round at Federated Wireless at an improved valuation. The milestones achieved demonstrate the innovative nature of the products and services within the portfolio, which address a range of large potential markets and provide a strong platform for creating shareholder value.

The Board of Allied Minds continually assesses its portfolio of investments and takes informed decisions supported by up-to-date information. As part of this process, a member of the Allied Minds board sits on the boards of all our material investments, and this remains the case following the recent departure and appointment of certain directors at Allied Minds.

Although Allied Minds' portfolio companies are mostly at a relatively early stage in their lifecycle, the Board remains positive about their prospects upon exit if the portfolio companies continue to meet their planned technical and commercial goals.

Management continuously monitors and reviews international risks such as economic headwinds, including inflationary pressures, interest rates and component price increases, as well as changes in political and regulatory requirements. The Directors have also put in measures to mitigate against the risks to the business such as the continued impact of COVID-19. The situation in Ukraine and wider cost of living challenges will not affect Allied Minds from a going concern perspective.

Portfolio Company Valuation

Of the Company's five active portfolio companies, the Company holds a significant minority stake in three of these companies and a small position in both OcuTerra and Concirrus. In each case, where Allied Minds holds a significant minority stake, it is able to exercise its influence over the portfolio company by virtue of its large, albeit minority, ownership stake in the portfolio company and its representation on the board of directors. The investment in preferred stock in these portfolio companies is accounted for under IFRS 9 and is classified by the Company as an investment at fair value in the Company's consolidated financial statements. Due to the equity-like characteristics of the Company's common stockholdings in Federated Wireless, this investment is accounted for under IAS 28 and is classified by the Company as investments in associates. Accordingly, since Allied Minds has significant influence over this entity through the voting rights held, it gives access to the returns associated with an ownership interest in this associate. For Ordinary stock holdings, where the group does not have significant influence, these investments are held at fair value in the Company's consolidated financial statements.

Allied Minds provides qualitative and quantitative disclosure in relation to the commercial and financial progress of its portfolio companies, and directional commentary on valuation. In addition, where commercially possible, Allied Minds provides, for each portfolio company: (i) the date of the last equity funding round, (ii) the post-money valuation of such round, (iii) the named key co-investors in such round, and (iv) the Company's issued and outstanding ownership (when provided by the portfolio company), and fully-diluted ownership, of such portfolio company.

This information is set forth in the Portfolio Review and Developments section below. The ownership interests are as of 9 September 2022. The fully-diluted percentages take into account outstanding stock options granted to employees, directors and advisors, current stock options available for grant pursuant to the company's stock option plan, and outstanding warrants to purchase common and preferred stock.

The post-money valuations disclosed for each entity below do not represent IFRS 13 fair values but rather, are based on the pre-money valuation set by the investors in the latest financing round plus the total money raised in that round.

There can be no guarantee that the aforementioned post-money valuations of the portfolio companies will be considered to be correct in light of the future performance of the various companies, or that the Company would be able to realise proceeds in the amount of such valuations, or at all, in the event of a sale by it of any of its portfolio companies or its ownership interest in such portfolio companies.

Portfolio Review and Developments

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1) ***BridgeComm Inc.*** *(BCI) (consolidated subsidiary at 30 June 2022, equity accounted investment after post period end transaction)*

BCI is developing high-speed optical wireless communications to provide fast, secure, enterprise-grade broadband service for space, terrestrial and 5G connectivity. It has created in the lab, and demonstrated over 100 meters, high-capacity, secure, one-to-many optical communications capabilities that may represent a paradigm shift in the low earth orbiting satellite constellations communications and battlefield communications. This technology offers a potential low-cost alternative to laying fibre optic cable in underserved and hard to reach cellular geographies.

As previously announced, in order to ensure BCI can bid for US Space Development Agency business as a prime contractor, BCI could not be majority owned by a foreign company. Allied Minds therefore agreed to a new ownership structure with Aeroequity Industrial Partners ("AEI"). Post the period end, in order to implement this structure, $2 million of existing Allied Minds debt with BCI was not converted. Allied Minds' fully diluted ownership prior to the transaction was 62.92%.

Further, post period end, BCI closed a $2 million Series B-2 financing in which both AEI and Allied Minds invested $1 million each (inclusive of previous bridge loans), in order for the company to continue operations whilst it seeks to raise further funds from interested investors. The result is Allied Minds' ownership being 39.77% on a fully diluted basis.

In addition to the restructuring enabling BCI to qualify as a US company, BCI will also benefit from the significant US government contacts and aerospace knowledge that AEI brings to the company. Also, Boeing, a significant BCI customer is an investor through Space X in AEI. Allied Minds believes that taking an economic write-down now sets the company up for future success and the potential for a significant total return.

BridgeComm now needs to commercialise its technology, which is expected to cost approximately $40m and take approximately 18 months. BCI will seek to raise $10m from interested investors and is in the later stages of bidding on two contracts. Either of those contracts is capable of providing funding of up to $30m of the required $40m through non-recurring engineering fees paid for by the customer. In the meantime, Allied Minds and AEI have each committed an additional $1m of capital to BCI to finance its activities during the capital raise period.

While the process of going from the lab to a commercialised product is uncertain, the economic upside for BCI and Allied Minds could be substantial and as such we are optimistic for BCI's success.

Holdings and valuation:

- Date of Last Funding Round: September 2022
- Post-Money Valuation: $11.5 million
- Co-Investors: AE Industrial HorizonX Venture Fund I, LP
- Allied Minds' Issued and Outstanding Ownership: 41.49%
- Allied Minds' Fully-Diluted Ownership: 39.77%

2) Federated Wireless Inc. *(Federated) (equity accounted investment)*

Founded in 2012, Federated is the market leader in Citizen Band Radio Service (CBRS) shared spectrum**.** Shared spectrum, also known as CBRS**,** is an innovative technology that delivers the best attributes of traditional wireless and Wi-Fi, with lower fixed cost, higher quality, and greater efficiency and scale.

As the first to market with a Spectrum Access System ("SAS"), Federated Wireless is the nationwide leader in the United States in enabling, commercialising, and driving adoption of shared spectrum. With more than 350 customers and over 90,000 connected devices across the United States and territories, the company serves a customer base spanning defense, government, manufacturing, telecommunications, utilities, real estate, and education, with a wide range of use cases ranging from network densification and mobile offload to private wireless and industrial IoT. Noteworthy customers include Charter, Comcast, Verizon, the US Department of Defense and Carnegie Mellon University.

Federated delivered an encouraging first half performance with revenue growth in all segments. This led to revenues for the period in line with the plan which underpinned the most recent fundraise and valuation. Quarter on quarter growth was particularly noteworthy with the second quarter being up 30% on the first. The business delivered a gross margin on track for the year in first half that was 7% ahead of plan, resulting in EBITDA and cash coming out well ahead of expectations.

Federated Wireless entered a joint industry collaboration with Blue White Robotics and Intel to automate agricultural solutions. This first-of-a-kind implementation greatly reduces the barriers for growers to adopt automation that can improve business outcomes while addressing labour shortages. Partnering with a California winery, the collaborators adapted existing farm equipment to perform autonomous tasks and connected the fleet over a private wireless network. Federated Wireless deployed a private wireless network in less than three days which covered the vineyard's 2.1 square miles. The network leveraged Intel Smart Edge and an edge server with a six-core Intel Xeon D-1528 processor to successfully connect a mix of autonomous tractors, sensors and other data points.

Federated Wireless also partnered with leading IoT distributor CalChip Connect to deliver end-to-end solutions and services to power plug-and-play decentralized 5G networks. The strategic collaboration provides an end-to-end service for consumers and small enterprises to rapidly implement a plug-and-play decentralized 5G network solution that can be setup in as little as 20 minutes.

In H1 2022, Federated Wireless raised $72 million through a two-stage Series D funding to fuel growth in 5G private wireless and other strategic focuses. An affiliate of Cerberus Capital Management, L.P. led the round, with affiliates of Fortress Investment Group, Giantleap Capital, and LightShed Ventures added as new investors with existing investors Allied Minds and GIC, Singapore's sovereign wealth fund, also participating. The Series D funding was completed at a pre-new-money valuation of $230 million, resulting in a post-new-money valuation of $302 million, up from the Series C post-money valuation of $215 million published in the Allied Minds' Annual Report and Accounts for the year ended 31 December 2020. Allied Minds fully diluted ownership following this transaction was 23.96%, reduced from 36.61%.

The Board of Federated expects continued growth over the second half of the year. These expectations come with the usual risks commensurate with high growth businesses of this nature.

Post period end, Federated entered into an Innovative Private Wireless Partnership with JBG SMITH. JBG SMITH is an owner, operator and investor in dynamic mixed-use Real Estate portfolios in and around Washington DC. Whilst the partnership is unlikely to contribute meaningfully to revenue, this a further endorsement of the market opportunity for Federated and exemplifies the broad range of possible customers for Federated.

Holdings and valuation:

- Date of Last Funding Round: May 2022
- Post-Money Valuation: $302 million

- Co-Investors: Cerberus Capital Management LLP and GIC (Singapore's sovereign wealth fund)
- Allied Minds' Issued and Outstanding Ownership: 27.04%
- Allied Minds' Fully-Diluted Ownership: 23.96%

3) *OcuTerra Therapeutics, Inc.* *(ordinary and preference share holding)*

OcuTerra is a clinical stage ophthalmology company developing innovative small molecule drugs for non-invasive use in treating ophthalmologic diseases that are currently treated in the early stages with a "watch and wait" protocol.

Following the completion of a $35 million Series B funding in November 2021, the company commenced a Phase 2 trial in Q3 2022 of its non-invasive eyedrops (OTT166) for use in early active management of Diabetic Retinopathy. The trial is studying the treatment of moderate to severe non-proliferative and mild proliferative Diabetic Retinopathy, a disease that results in loss of vision for diabetic patients.

Post period, in August 2022, OcuTerra announced the first patient had been dosed in its Phase 2 DR:EAM (Diabetic Retinopathy: Early Active Management) clinical trial. OTT166 is a novel small molecule selective integrin inhibitor that is designed with purpose engineering to have the required physiochemical characteristics to be able to reach the retina from eye drop application.

OTT166 has been specifically designed to be administered as an eye drop by the patient at home before diabetic retinopathy has advanced to a vision-threatening complication, such as diabetic macular edema. By potentially enabling earlier non-invasive treatment, OcuTerra's goal is to prevent progression, thereby delaying or completely eliminating the need for intravitreal injections and/or destructive laser procedures.

Phase 1b clinical trials of OTT166 eye drops in patients with diabetic retinopathy and wet AMD previously demonstrated safety, tolerability and clear clinical evidence of biological activity. If the Phase 2 trial is successful, the next step would be a Phase 3 trial involving more patients and if successful in meeting the clinical end points application to the FDA for approval.

In line with the company's previously stated strategy to build out its managerial and clinical team, OcuTerra appointed eye care industry veteran Majid Anderesi, MD, as Vice President of Clinical and Medical Affairs in April 2022.

Allied Minds is a minority shareholder in OcuTerra and as such there is no current intention to invest any further capital in the company.

Holdings and valuation:

- Date of Last Funding Round: November 2021
- Valuation: $51.3 million
- Co-Investors: Various third parties
- Allied Minds' Issued and Outstanding Ownership: 17.06%
- Allied Minds' Fully-Diluted Ownership: 12.32%

4) Orbital Sidekick Inc. *(OSK) (preference share holding)*

OSK has developed a proprietary analytics platform based upon its hyperspectral technology that allows it to take a proprietary "chemical fingerprint" from space. Initially, OSK is addressing the very current and large concerns about the environment by focusing on potential energy pipeline failures. By employing its space-based technology, it is able to detect and identify natural gas, oil leaks and other failures much more rapidly than current monitoring techniques in a more cost-effective way while helping to minimise environmental damage.

In June 2022, the company signed a contract with one of the largest pipeline operators in North America - Energy Transfer - to deliver recurring monitoring services from its satellites through 2023. The company also signed a significant work program contract with In-Q-Tel (IQT) to deliver timely and relevant insights to IQT's government partners as part of a rapidly growing hybrid architecture of technology solutions. Orbital expects to expand its footprint within the defence & intelligence community in 2022 and beyond. In addition, the company is developing products for the mining and agriculture industries, along with fire fuel and carbon mapping capabilities.

As previously announced, OSK was seeking to raise $40m which it had hoped to close in mid-2022. Although this was not achieved due to extraneous market events, OSK continues to have investor support and a bank facility to allow it to continue operating. The business has strong interest from a number of clients wishing to participate in its alpha/beta launch of six satellites in 2023. The current third party investor group plans to invest an additional $4-$5 million in OSK. That coupled with a $5 million banking facility will extend OSK's cash runway until June 2023. It is expected that the launch of two additional satellites in the first half of 2023 will demonstrate OSK's hyperspectral data capability and position the business for additional follow-on funding.

Holdings and valuation:

- Date of Last Funding Round: April 2021
- Post-Money Valuation: $46 million
- Co-Investors: Temasek, Energy Innovation Capital and 11.2 Capital
- Allied Minds' Issued and Outstanding Ownership in respect of preference shares: 26.29%

· Allied Minds' Fully-Diluted Ownership: 23.84%

5) *TouchBistro, Inc. (acquirer of TableUp, Inc.)* *(common shares in TouchBistro)*

On 28 March 2022, Allied Minds announced that it had completed the disposal of its residual shareholding in Touch Bistro for $5.5m CAD ($4.4m USD) in line with its strategy of monetising its investment portfolio. All of the sale proceeds had been received as of 23 August 2022 when the remaining shares held in escrow were released.

6) *Concirrus Limited (acquirer of Spark Insights, Inc)* *(preferred share investment)*

On 29 October 2021, Allied Minds Plc has disposed of its portfolio company, Spark Insights, Inc. to Concirrus, a private UK-based insurance technology company in which Concirrus acquired 100% of the shares of Spark in exchange for the issuance of Concirrus' Series A1 preferred shares. Allied Minds' ownership percentage in Concirrus is 0.98% at 30 June 2022.

Risk Management

The principal risks and uncertainties surrounding Allied Minds and its portfolio companies are set out in detail on pages 19 to 25 in the Risk Management section of the Strategic Report included in the 2021 Annual Report and Accounts. Such risks and uncertainties include those in connection with science and technology development or commercialisation failures; lack of profitability; inherent limitations on exclusive licenses with US universities and other federally-funded research institutions; regulatory restrictions and limitations; loss of key senior management risk; termination of critical IP licenses; the Company being deemed to be an investment company; inability to generate sufficient revenue, attract investment or generate liquidity events; lack of capital; Ukraine conflict; and COVID-19, all as further described in the 2021 Annual Report and Accounts.

There have not been any significant changes in the nature of the risks set forth therein that will affect the next six months of the financial year, therefore, such risks are applicable to the remaining six months of the financial year. A copy of the 2021 Annual Report and Accounts is available on the Company's website at http://www.alliedminds.com/investor/.

Financial Review

Condensed Consolidated Statement of Comprehensive Income

For the six months ended:	Unaudited 30 June 2022 $'000	Unaudited 30 June 2021 $'000
Revenue	1,531	219
Cost of revenue	(513)	(119)
Selling, general and administrative expenses	(3,889)	(6,344)
Research and development expenses	(1,038)	(1,514)
Finance cost, net	(3,088)	(3,733)
Loss on investments held at fair value	(101)	(1,887)
Gain on deconsolidation of subsidiary	-	14,209
Share of net loss of associates accounted for using the equity method	-	(2,362)
Loss for the period	(7,098)	(1,531)
Other comprehensive loss, net of tax	(162)	(206)
Total comprehensive loss	(7,260)	(1,737)

Revenue increased by $1.3 million, to $1.5 million for the six months ended 30 June 2022 (HY21: $0.2 million), when compared to the same period in the prior year. This increase is primarily attributable to revenue from existing and new contracts entered in 2022 at BridgeComm of $1.5 million. Cost of revenue at $0.5 million for the six months ended 30 June 2022 (HY21: $0.1 million) was lower as a percentage of revenue, when compared to the same period in the prior year, mainly due to the nature of the revenue being delivered.

Selling, general and administrative (SG&A) expenses decreased by $2.4 million, to $3.9 million for the six months ended 30 June 2022 (HY21: $6.3 million). This reduction was mainly due to the deconsolidation of a subsidiary, OcuTerra, resulting in $1.6 million change in SG&A expenses in the first half of 2021. The remainder of the decrease reflects a reduction in SG&A expenses at corporate level of $0.6 million when compared to same period last year. Out of the $3.9 million in total SG&A expenses, $2.8 million represent the Company's corporate expenses as of 30 June 2022.

Research and development (R&D) expenses decreased by $0.5 million, to $1.0 million for the six months ended 30 June 2022 (HY21: $1.5 million). The decrease was primarily due to the deconsolidation of a subsidiary, OcuTerra, in the first half of 2021. The remainder of the decrease reflects the net effect from R&D spend at the other subsidiaries.

Net finance cost decreased to $3.1 million (HY21: finance cost of $3.7 million). The net cost reflects the impact from the fair value adjustment of $3.2 million of a convertible note payable at 30 June 2022 as well as interest expense, net of interest income, of $0.2 million. This was offset by the $0.3 million decrease of the subsidiary preferred shares liability balance at BridgeComm as a result of IFRS 9 fair value accounting.

Loss on investments decreased to $0.1 million (HY21: gain of $10.0 million) reflecting $0.1 million in loss on investments held at fair value.

As a result of the above discussed factors, total comprehensive loss for the year increased by $5.6 million to $7.3 million for the six months ended 30 June 2022 (HY21: comprehensive income of $1.7 million).

Condensed Consolidated Statement of Financial Position

As of the period ended:	**Unaudited 30 June 2022 $'000**	**Audited 31 December 2021 $'000**
Non-current assets	34,958	35,229
Current assets	17,294	20,672
Total assets	52,252	55,901
Non-current liabilities	-	213
Current liabilities	14,902	11,033
Equity	37,350	44,655
Total liabilities and equity	52,252	55,901

Significant performance-impacting events and business developments reflected in the Group's financial position at the half year end include:

Non-current assets decreased by $0.2 million, to $35.0 million at 30 June 2022 (FY21: $35.2 million), due $0.2 million reduction in property and equipment.

- Investments at fair value represent $34.0 million as of 30 June 2022 (FY21: 34.0 million). Movements in the period reflects the income of $0.1 million of the fair value accounting for other investments held at fair value and recognition of $4.2 million in investment as a result of the latest financing round at Federated Wireless. This was offset by $4.3 million reduction in investments as a result of the disposal of TouchBistro with the remaining shares held in an escrow worth $0.4 million being reclassed to current assets due to the nature of this balance.

Current assets decreased by $3.4 million, to $17.3 million as of 30 June 2022 (FY21: $20.7 million), mainly due to a reduction in other financial assets of $4.5 million.

- Cash and cash equivalents increased by $0.5 million to $10.2 million at 30 June 2022 from $9.7 million at 31 December 2021. The increase is mainly attributed to $2.9 million of net cash used in operations, $3.9 million cash from in investing activities and $0.5 million cash used in financing activities.
- Trade and other receivables increased by $0.6 million due to an increase in trade receivables of $0.2 million and an increase in prepaid expenses of $0.4 million mainly from advanced payments for unfinished inventory units at BridgeComm.
- Other financial assets have decreased by $4.5 million to $0.6 million (FY21: $5.1 million) primarily due to the conversion of Federated Wireless's SAFE of $4.3 million into preferred shares upon the closing of the Series D funding and a loss of $0.2 million of the fair value accounting for the note recorded prior to conversion.

Non-current liabilities decreased by $0.2 million, to $nil as of 30 June 2022 (FY21: $0.2 million) mainly reflecting a decrease of $0.2 million in lease liability at 30 June 2022.

Current liabilities increased by $3.9 million, to $14.9 million at 30 June 2022 (FY21: $11.0 million). The increase mainly reflects an increase in loans of $3.7 million, $0.4 million increase in trade and other payables and deferred revenue of $0.3 million. The increase in loans primarily reflects the issuance of $0.4 million in additional convertible notes to BridgeComm. The increase was offset by the combination of a fair value adjustment of $0.3 million in the subsidiary preferred shares liability and a $0.2 million reduction in current lease liability.

Net equity decreased by $7.3 million to $37.4 million at 30 June 2022 (FY21: $44.7 million) mainly reflecting the combination of comprehensive loss for the period of $7.2 million and $0.1 million charge due to equity-settled share based payments.

Condensed Consolidated Statement of Cash Flows

For the six months ended:	**Unaudited 30 June 2022 $'000**	**Unaudited 30 June 2021 $'000**
Net cash outflow from operating activities	(3,267)	(6,286)
Net cash inflow/(outflow) from investing activities	3,864	(14,265)
Net cash (outflow)/inflow from financing activities	(99)	14,120
Net increase/(decrease) in cash and cash equivalents	498	(6,431)
Cash and cash equivalents at beginning of period	9,710	24,489
Cash and cash equivalents at end of the period	10,208	18,058

The Group's net cash outflow from operating activities of $3.3 million in the six months ended 30 June 2022 (HY21: $6.3 million) was primarily due to the net operating losses for the period of $7.1 million (HY21: loss of $1.5 million). The operating cash outflow was offset by an increase in working capital of $0.6 million (HY21: $1.1 million), other finance costs of $2.8 million (HY21: $3.4 million) and the combination of adjustments for non-cash accounting entries such as depreciation, amortisation, loss on investments held at fair value and share-based expenses of $0.4 million (HY21: $9.2 million).

The Group had a net cash inflow from investing activities of $3.9 million in the six months ended 30 June 2022 (HY21: net cash outflow of $14.3 million). This inflow was predominately related to the $3.9 million proceeds from sale of TouchBistro's investment.

The Group's net cash outflow provided by financing activities of $0.1 million in the six months ended 30 June 2022 (HY21: net cash inflow $14.1 million) reflects $0.5 million in lease payments offset by $0.4 million in proceeds from issuance of convertible notes at BridgeComm.

The Group's strategy is to manage its cash balance to focus exclusively on supporting its existing portfolio companies, noting any commitments are determined based on current facts and commitments on a case by case basis and maximising monetisation opportunities for such companies. To further minimise its exposure to risks the Group does not maintain any material borrowings or cash balances in foreign currency.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended:	Note	Unaudited 30 June 2022 $'000	Unaudited 30 June 2021 $'000
Revenue	2	1,531	219
Operating expenses:			
Cost of revenue		(513)	(119)
Selling, general and administrative expenses		(3,889)	(6,344)
Research and development expenses		(1,038)	(1,514)
Operating loss		(3,909)	(7,758)
Other (loss)/income:			
Loss on investments held at fair value	4,11	(101)	(1,887)
Gain on deconsolidation of subsidiary		-	14,209
Other (loss)/income		(101)	12,322
Finance income		13	27
Finance cost		(158)	(153)
Finance cost from IFRS 9 fair value accounting	9,11	(2,943)	(3,607)
Finance cost, net		(3,088)	(3,733)
Share of net loss of associates accounted for using the equity method	4	-	(2,362)
Loss before tax		(7,098)	(1,531)
Taxation		-	-
Loss for the period	3	(7,098)	(1,531)
Other comprehensive loss:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(162)	(206)
Other comprehensive loss, net of taxation		(162)	(206)
Total comprehensive loss		(7,260)	(1,737)
(Loss)/ Income attributable to:			
Equity holders of the parent		(7,096)	1,957
Non-controlling interests	7	(2)	(3,488)
		(7,098)	(1,531)
Total comprehensive (loss)/ income attributable to:			
Equity holders of the parent		(7,258)	1,751
Non-controlling interests	7	(2)	(3,488)
		(7,260)	(1,737)
(Loss)/ Income per share		$	$
Basic	5	(0.03)	0.01
Diluted	5	(0.03)	0.01

Condensed Consolidated Statement of Financial Position

As of the period ended:	Note	Unaudited	Audited

	Note	30 June 2022 $'000	31 December 2021 $'000
Non-current assets			
Property and equipment		623	787
Investments at fair value	4	33,990	33,984
Right-of-use assets	8	302	414
Other financial assets	11	43	44
Total non-current assets		34,958	35,229
Current assets			
Cash and cash equivalents	11	10,208	9,710
Trade and other receivables	11	6,488	5,912
Other financial assets	11	598	5,050
Total current assets		17,294	20,672
Total assets		52,252	55,901
Equity			
Share capital	6	3,767	3,767
Treasury shares	6	(738)	(738)
Translation reserve	6	1,140	1,302
Accumulated earnings	6	33,043	40,156
Equity attributable to owners of the Company	6	37,212	44,487
Non-controlling interests	7	138	168
Total equity		37,350	44,655
Non-current liabilities			
Lease liability	8	-	213
Total non-current liabilities		-	213
Current liabilities			
Trade and other payables	11	1,443	1,061
Deferred revenue		5,293	4,948
Loans	11	6,824	3,109
Preferred shares	9	951	1,255
Lease liability	8	391	660
Total current liabilities		14,902	11,033
Total liabilities		14,902	11,246
Total equity and liabilities		52,252	55,901

Condensed Consolidated Statement of Changes in Equity

	Note	Share capital		Treasury shares		Translation reserve $' 000	Accumulated (Deficit)/ Earnings $' 000
		Shares	Amount $' 000	Shares	Amount $' 000		
Audited Balance at 31 December 2020		242,187,985	3,767	-	-	1,343	55,440
Total comprehensive income/(loss) for the period					-		
Loss from continuing operations		-	-	-	-	-	1,957
Foreign currency translation		-	-	-	-	(206)	-
Total comprehensive income/(loss) for the period		-	-	-	-	(206)	1,957
Loss arising from change in non-controlling interest	7	-	-	-	-	-	-
Repurchase of ordinary shares	6	-	-	(730)	(181)	-	-
Deconsolidation of subsidiary	4	-	-	-	-	-	-
Equity-settled share based payments	10	-	-	-	-	-	203
Unaudited Balance at 30 June 2021		242,187,985	3,767	(730)	(181)	1,137	57,600
Total comprehensive loss for the year							
Loss from continuing operations		-	-	-	-	-	(15,534)
Foreign currency translation		-	-	-	-	(41)	-
Total comprehensive loss for the year		-	-	-	-	(41)	(15,534)
Issuance of ordinary shares	5	-	-	-	-	-	-
Loss arising from change in non-controlling interest	7	-	-	(2,538)	(738)	-	-
Deconsolidation of subsidiary	4	-	-	-	-	-	-
Equity-settled share based payments	10	-	-	-	-	-	250
Audited Balance at 31 December 2021		242,187,985	3,767	(2,538)	(738)	1,302	40,156
Total comprehensive loss for the period							
Loss from continuing operations		-	-	-	-	-	(7,096)
Foreign currency translation		-	-	-	-	(162)	-
Total comprehensive loss for the period		-	-	-	-	(162)	(7,096)
Equity-settled share based payments	10	-	-	-	-	-	(17)

Unaudited Balance at 30 June 2022	242,187,985	3,767	(2,538)	(738)	1,140	33,043

Condensed Consolidated Statement of Cash Flows

For the six months ended:	Note	Unaudited 30 June 2022 $'000	Unaudited 30 June 2021 $'000
Cash flows from operating activities:			
Loss for the period		(7,098)	(1,531)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation		324	495
Share-based compensation (reversal)/ expense	10	(45)	221
Loss on investments held at fair value	4,11	101	1,887
Gain on deconsolidation of subsidiary	4	—	(14,209)
Share of net loss of associate	4	—	2,362
Changes in working capital:			
(Increase)/ decrease in trade and other receivables		(576)	727
Decrease in other assets		435	347
Increase in accrued expenses		49	148
Increase/(decrease) in accounts payables		334	(831)
Increase in deferred revenue		345	455
Increase in other liabilities		83	242
Unrealised gain on foreign currency transactions		(162)	(206)
Other finance cost	9,11	2,943	3,607
Net cash used in operating activities		(3,267)	(6,286)
Cash flows from investing activities:			
Purchases of property and equipment, net of disposals		(48)	(27)
Receipt of payment for finance sub-lease	8	8	78
Proceeds from sale of investments at fair value	4	3,904	—
Purchases of investments at fair value	4	—	(1,000)
Cash derecognised upon loss of control over subsidiary	4	—	(13,316)
Net cash provided by/ (used in) investing activities		3,864	(14,265)
Cash flows from financing activities:			
Proceeds from issuance of convertible notes		400	—
Receipt of PPP loan		—	257
Payment of lease liability	8	(499)	(565)
Payments to repurchase ordinary shares	9	—	(181)
Proceeds from issuance of preferred shares in subsidiaries		—	14,609
Net cash (used in)/ provided by financing activities		(99)	14,120
Net increase/ (decrease) in cash and cash equivalents		498	(6,431)
Cash and cash equivalents at beginning of period		9,710	24,489
Cash and cash equivalents at end of period		10,208	18,058

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

a) Reporting entity

Allied Minds Group comprises of Allied Minds plc and its subsidiaries ("Allied Minds", the "Group" or the "Company"). The Company is publicly listed on the Main Market of the London Stock Exchange ("LSE"). Allied Minds plc is engaged in the development of various technologies for commercial applications. As of 30 June 2022, Allied Minds Group comprised of three legal subsidiaries, which included one active portfolio company that is currently majority owned and controlled, and therefore fully consolidated in the Company's consolidated financial statements prepared in accordance with UK adopted international accounting standards ("IFRS"). Additionally, the Company holds a minority stake in four other portfolio companies. For the majority of the portfolio companies, Allied Minds is able to exercise influence by virtue of its large, albeit minority, ownership stake in the portfolio company and its representation on the board of directors.

Certain portfolio companies have entered into agreements with universities, scientists, and US federal research institutions to develop and commercialise products. In exchange for licenses, time, and expertise already provided, certain universities and/or scientists received an equity ownership in such companies. The cash contributed by Allied Minds is used to fund additional research and to create a management structure and operations.

b) Basis of preparation

This condensed consolidated unaudited interim financial report for the half-year reporting period ended 30 June 2022 has been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2021, which has been prepared in accordance with UK Adopted International accounting standards.

These condensed unaudited interim financial statements do not comprise statutory accounts within the meaning of section 434 (3) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the board of directors and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) - (3) of the Companies Act 2006.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial information of the subsidiaries is prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Investments in associates where it is demonstrated that the Group exercises significant influence over the entity are equity accounted in line with IAS 28.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial information presented in these half-yearly results has been prepared under the historical cost convention. The presentational currency adopted by Allied Minds is US Dollar ('$') as this is the functional currency all of the entities in the Group except for the parent company, Allied Minds Plc, which has a Sterling ('GBP') functional currency. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial information included in the Group annual report and accounts as at and for the year ended 31 December 2021.

The Directors have taken proactive cost management measures that include reduction in expenses of the management function of the head office at the parent level. They have also decided to focus exclusively on supporting the five existing portfolio companies, albeit do not make or have and enforceable financial or working capital commitments, and maximising monetisation opportunities for portfolio company interests, and not to deploy any capital into any new portfolio companies. In the event of successful monetisation events from the sale of portfolio companies or portfolio company interests, the Directors anticipate distributing the net proceeds to shareholders, after due consideration of potential follow-on investment opportunities within the existing portfolio and working capital requirements. The Directors expect this strategy to take at least two years to be fully implemented, and as a matter of good governance, will continue to keep this strategy under review at appropriate intervals. They have prepared trading and cash flow forecasts for the parent through 2025. Reflecting this revised strategy, although the Group is currently loss making and is likely to continue to be so, at least in the short term, after making enquiries and considering the impact of risks and opportunities on expected cash flows, and given the fact that the Group has $10.2 million of available funds in the form of cash and cash equivalents as at 30 June 2022, that any commitments to subsidiary and investee companies are determined based on real time facts and circumstances and on a case by case basis, the Directors have a reasonable expectation that the Group has adequate cash to continue in operational existence for a period of not less than 12 months from the date of approval of the interim financial statements. Furthermore, the directors have considered the timeline of when it plans to dispose of, divest or reinvest in its portfolio companies and there is no intention to cease trading or liquidate the business for the period under the going concern review. For this reason, they have adopted the going concern basis in preparing these half-yearly results.

Though the majority of the Company's operations are in the United States and the functional currency of the group's investments are U.S. dollar, whilst the parent company has a functional currency of GBP. Allied Minds is based in the United Kingdom and therefore susceptible to various international risks such as economic headwinds, including inflationary pressure, interest rates and component price increases, as well as changes in political and regulatory requirements. These risks are continuously monitored and reviewed by management. The Group cannot predict all future events or conditions, however, the directors have concluded that there are no material uncertainties that could cast significant doubt over the ability of the

Group to continue as a going concern for at least the going concern period as assessed above and the Company's existing measures are sufficient to mitigate the inherent risks to its business model.

The Directors have also put in measures to mitigate against the risks to the business such as the continued impact of COVID-19. The situation in Ukraine and wider cost of living challenges will not affect Allied Minds from a going concern perspective.

The condensed consolidated financial statements are not audited and the results for the six months ended 30 June 2022 are not necessarily indicative of results for future operating periods.

Certain financial information has been extracted from the annual report and accounts as at and for the period ended 31 December 2021 and has been included for comparative purposes in this half-yearly report.

These interim financial statements are unaudited and were approved by the Board of Directors and authorised for issue on 29 September 2022 and are available on the Company's website at www.alliedminds.com under "Investors - Reports and Presentations".

c) Accounting policies

Except as described below, the accounting policies applied by the Group in these half-yearly results are the same as those which formed the basis of the 2021 Annual Report and Accounts, with the exception of the new standards the Group adopted as of 1 January 2022, included below.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as of and for the year ending 31 December 2022.

Newly adopted standards

The following are amended or new standards and interpretations that may impact the Group. The Group is finalising the required disclosures, which includes an assessment of the impact of the new guidance on our financial position and results of operations. The adoption of the proposed changes is not expected to have a material effect on the financial statements unless otherwise indicated:

Effective date	*New standards or amendments*
1 January 2022	*Onerous contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)*
	References to Conceptual Framework (Amendments to IFRS 3)
	Property, Plant and Equipment: Proceeds before Intended Use (amendments to IAS16
	Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)

Standards issued not yet effective

Other new standards and interpretations yet to be adopted, for which the Company does not expect to have a material impact on its financial statements include:

1 January 2023	IFRS 17 *Insurance Contracts*
1 January 2023	*Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2)
1 January 2023	*Classification of Liabilities as Current or Non-current* (Amendments to IAS 1)
1 January 2023	*Definition of Accounting Estimates* (Amendments to IAS 8)
1 January 2023	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to IAS 12)

2. Revenue

Revenue recorded in the statement of comprehensive loss consists of the following:

For the period ended:	**Unaudited 30 June 2022** $'000	**Unaudited 30 June 2021** $'000

Service revenue	1,531	219
Total revenue in consolidated statement of income/(loss)	1,531	219

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The Group disaggregates contract revenue based on the transfer of control of the underlying performance obligations and for both accounting period the performance obligation has been satisfied over time for all revenue.

3. Operating segments

a) Basis for segmentation

For management purposes, the Group's principal operations are organised in three reportable segments:

(i) Early stage companies - subsidiary businesses that are in the early stage of their lifecycle characterised by incubation, research and development activities; and

(ii) Later stage companies - subsidiary businesses that have substantially advanced with or completed their research and development activities, are closer in their lifecycle to commercialisation, and/or have a potential of realising material return on investment through a future liquidity event;

(iii) Minority holdings companies reflect the activity related to portfolio companies other than consolidated subsidiary businesses where the Group has made a minority investment and does not control or exercise joint control over the financial and operating policies of those entities. This segment will only include the results of entities which were deconsolidated during the accounting period. No subsidiaries were deconsolidated in the first half of 2022. As of 30 June 2021, this operating segment included OcuTerra Therapeutics, Inc. profit and loss for the period up to deconsolidation on 27 April 2021.

The Group's chief operating decision maker ("CODM") reviews internal management reports on these operating segments at least quarterly in order to make decisions about resources to be allocated to the segment and to assess its performance.

Other operations include the management function of the head office at the parent level of Allied Minds.

b) Information about reportable segments

The following provides detailed information of the Group's reportable segments:

For the six months ended 30 June 2022:

				$'000	
			Later Stage	**Other Operations**	**Consolidated**
Statement of Comprehensive Loss					
Revenue	1,531	1,531	1,531	—	1,531
Cost of revenue		(513)	(513)	—	(513)
Selling, general and administrative expenses			(1,058)	(2,831)	(3,889)
Research and development expenses			(1,038)	—	(1,038)
Other income			298	(399)	(101)
Finance income/(cost), net			866	(3,954)	(3,088)
Income/(Loss) for the period			86	(7,184)	(7,098)
Other comprehensive income/(loss)			—	(162)	(162)
Total comprehensive income/((loss)			86	(7,346)	(7,260)
Total comprehensive income attributable to:					
Equity holders of the parent			88	(7,346)	(7,258)
Non-controlling interests			(2)	—	(2)
Total comprehensive income/ (loss)			86	(7,346)	(7,260)

For the six months ended 30 June 2021:

	$'000				
	Early stage Stage	Later stage Stage	Minority Holdings	Other operations	Consolidated
Statement of Comprehensive Loss					
Revenue 250	—	219	—	—	219
Cost of revenue	—	(119)	—	—	(119)
Selling, general and administrative expenses	(43)	(1,337)	(1,524)	(3,440)	(6,344)
Research and development expenses	(428)	(966)	(120)	—	(1,514)
Other income	—	—	—	12,322	12,322
Finance income/(cost), net	(6)	12,985	(11,060)	(5,652)	(3,733)
Share of net loss of associates accounted for using the equity method	—	—	—	(2,362)	(2,362)
(Loss) for the period	(477)	10,782	(12,704)	868	(1,531)
Other comprehensive income/(loss)	—	—	—	(206)	(206)
Total comprehensive income/((loss)	(477)	10,782	(12,704)	662	(1,737)
Total comprehensive income attributable to:					
Equity holders of the parent	30	10,619	(9,560)	868	1,957
Non-controlling interests	(507)	163	(3,144)	—	(3,488)
Total comprehensive income	(477)	10,782	(12,704)	867	(1,531)

As of the period ended 30 June 2022:

	Later stage	Other operations	Consolidated
Statement of Financial Position			
Non-current assets	695	34,263	34,958
Current assets	6,363	10,931	17,924
Total assets	7,058	45,194	52,252
Non-current liabilities	—	—	—
Current liabilities	(16,014)	1,112	(14,902)
Total liabilities	(16,014)	1,112	(14,902)
Net assets/(liabilities)	(8,956)	46,306	37,350

As of the period ended 30 June 2021:

	Later stage	Other operations	Consolidated
Statement of Financial Position			
Non-current assets	820	34,409	35,229
Current assets	6,262	14,410	20,672
Total assets	7,082	48,819	55,901
Non-current liabilities	(75)	(138)	(213)
Current liabilities	(12,820)	1,787	(11,033)
Total liabilities	(12,895)	1,649	(11,246)
Net assets/(liabilities)	(5,813)	50,468	44,655

4. Investment in Associate

Group Subsidiaries, associates and investments

As of 30 June 2022, Allied Minds has five portfolio companies, including subsidiaries, associates and investments, and two holding companies. As at the 30 June 2022 the investments in each of the companies and the accounting treatment is summarized below:

Company name	**Financial instruments held**	**Accounting treatment of financial instruments**
Allied Minds LLC	Ordinary shares	Consolidated by the group in line with IFRS 10 and following management assessment of significant control.
Allied Minds Securities Corp.	Ordinary shares	Consolidated by the group in line with IFRS 10 and following management assessment of significant control.
BridgeComm, Inc.	Ordinary share capital and preferred shares	Consolidated by the group in line with IFRS 10 and following management assessment of significant control. Preferred shares are eliminated on consolidation between group companies, preferred shares held by third parties are fair valued through profit and loss under IFRS 9.
Concirrus, LTD	Preferred shares	The Group has a minority stake in the investment and does not have significant influence over the company. The investment in preferred shares is accounted for at fair value through the profit and loss under IFRS 9.
OcuTerra Therapeutics, Inc.	Ordinary share capital and preferred shares	The Group does not have significant influence over the company. The investment in ordinary shares is accounted for at fair value through the profit and loss under IFRS 9. Preferred share holdings are accounted for at fair value through profit and loss as investments held by the Group under IFRS 9.
Federated Wireless, Inc.	Ordinary share capital and preferred shares	The ordinary share capital ownership means that the group has significant influence but not control over the entity. Therefore, the investment in ordinary shares is accounted for by the equity method of accounting under IAS 28. Preferred share holdings are accounted for at fair value through profit and loss as investments held by the Group under IFRS 9.
Orbital sidekick, Inc.	Preferred shares	No ordinary shares are owned by Allied Minds and the directors have judged, at the year end, that the group does not have significant influence over the entity through its preferred share holding. Preferred share holdings are accounted for at fair value through profit and loss as investments held by the Group under IFRS 9.

At 30 June 2022, the Group has one associate, Federated Wireless, which is material to the Group and is equity accounted.

Federated Wireless: As of 31 December 2021, Allied Minds' ownership percentage went from 43.11% to 42.72% and the investment in Federated Wireless continued to be subject to the equity method accounting. In accordance with IAS 28, the Company's investment was adjusted by the share of losses generated by Federated Wireless subsequent to the date of deconsolidation up to the point where the investment in Federated was reduced to a zero balance.

As of 30 June 2022, Allied Minds' ownership percentage went from 42.72% to 27.04% and continues to be subject to the equity method accounting and no further adjustments were made to the investment balance at 30 June 2022. If Federated Wireless subsequently reports profits, Allied Minds will resume recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

		Ownership percentage	
	Location	30 June 2022	31 December 2021
Federated Wireless, Inc.	Arlington, VA	27.04%	42.72%

	30 June 2022	31 December 2021
	$'000	$'000
Group's interest in net assets of investee, beginning of period	–	–
Share of loss from continuing operations	–	–
Carrying amount for equity accounted investees	–	–
Unrecognised share of losses in associate	(66,005)	(53,169)
Total outstanding	(66,005)	(53,169)

Investments at fair value

The Group's investments at fair value represent securities of portfolio companies where Allied Minds holds preferred shares or a minority stake in those companies. These investments are initially measured at fair value through profit or loss and are subsequently re-measured at fair value at each reporting date and on derecognition.

Federated Wireless: The Company's investment at fair value in Federated Wireless has changed from $14.2 million, as reported at 31 December 2021, to $18.6 million at 30 June 2022. The increase in investment balance primarily relates to the conversion of Federated Wireless's SAFE of $4.3 million into preferred shares upon the closing of the Series D funding and $0.1 million in the IFRS 9 fair value accounting during the period. Series A and Series C preferred shares were also adjusted following the anti-dilution protection option in the event of a down round financing. As such, this resulted in 258,839 more shares, Series A and C combined, issued to Allied Minds.

Orbital Sidekick: On 6 April 2018, Allied Minds made an investment in Orbital Sidekick, a company developing capabilities in aerial and space-based hyperspectral imaging and analytics, initially for the oil and gas industry. Allied Minds has significant influence over financial and operating policies of the investee by virtue of its large, albeit minority, stake in the company and its representation on the entity's board of directors. Allied Minds only held shares of preferred stock in Orbital Sidekick. The preferred shares held by Allied Minds are not equity-like and therefore these fall under the guidance of IFRS 9 and will be treated as a financial asset held at fair value where all movements to the value of Allied Minds' share in the preferred stock will be recorded through the Consolidated Statements of Comprehensive Loss.

On 13 April 2021, Orbital Sidekick, Inc. ("OSK") completed the closing of its $16 million Series A funding round led by Temasek, an investment company headquartered in Singapore, with participation from Energy Innovation Capital, Syndicate 708, and existing investors Allied Minds and 11.2 Capital. Out of the total financing capital raised, Allied Minds invested $2.5 million (including the conversion of its SAFE of $1.5 million). As of 30 June 2022, Allied Minds' ownership of Orbital Sidekick's issued share capital is 26.29% (31 December 2021: 26.29%). As of 30 June 2022, Allied Minds investment held at fair value related to its Preferred Shares in Orbital Sidekick was valued at $9.8 million (31 December 2021: $8.5 million).

TouchBistro: On 6 April 2018, Allied Minds made an investment in TableUp, a software provider enabling end-to-end transparency through the restaurant supply chain to enable more effective inventory and operations management. On 5 August 2020, TableUp was acquired by TouchBistro, Inc. ("TouchBistro") in which TouchBistro acquired 100% of the shares of TableUp in exchange for the issuance of TouchBistro common shares to the shareholders of TableUp. As such, Allied Minds's investment in preferred stock, along with the convertible note, was fully converted into common shares in TouchBistro. Allied Minds' ownership percentage was 1.40% at 31 December 2020.

On 28 March 2022, Allied Minds has completed the disposal of its residual shareholding in TouchBistro for $5.5 million CAD ($4.3 million USD) in line with its strategy of monetising its investment portfolio. Of the sale proceeds, $3.9 million has been received at the time of the sale. On 23 August 2022 the remaining TouchBistro shares were released from the escrow account and as a result Allied Minds received $0.4 million in proceeds from the pre-arranged sale of these shares.

OcuTerra Therapeutics: As of April 2021, OcuTerra Therapeutics was deconsolidated from the Group's financial statements as a result of the first closing of its Series B Preferred Stock financing round. On that date Allied Minds' issued and outstanding ownership percentage dropped from 62.67% to 27.58%.

Consequently, since the Company no longer held a majority of the voting rights in OcuTerra Therapeutics and did not hold a majority on its board of directors, Allied Minds did not exercise effective control over OcuTerra Therapeutics. However, even after the transaction, Allied Minds was able to exercise significant influence over the entity by virtue of its large, albeit minority, stake in the company and its representation on the OcuTerra Therapeutics's board of directors. As such, only the profits and losses generated by OcuTerra Therapeutics through April 2021 were included in the Group's Consolidated Statements of Comprehensive Loss. Upon the date of deconsolidation, Allied Minds recognised an investment in OcuTerra Therapeutics related to its common shares of $2.4 million. Series A Preferred Stock and Series B Preferred Stock (collectively the "OcuTerra Therapeutics Preferred Stock") held by Allied Minds are not equity-like and therefore these fall under the guidance of IFRS 9 and will be treated as a financial asset held at fair value where all movements to the value of Allied Minds' share in the preferred stock will be recorded through the Consolidated Statements of Comprehensive Loss. At the date of deconsolidation these were classified as an investment at fair value of $3.3 million. The fair value of the investment in associate at the date of deconsolidation was based on the value implied from the third party funding round which lead to the loss of control. This is a market based valuation approach. As a result of the deconsolidation, Allied Minds recorded an unrealised gain of $14.2 million in the Consolidated Statements of Comprehensive Loss. The gain was calculated by taking the difference between the fair value of the interest retained in the former subsidiary at the date control is lost less the carrying amount of net assets adjusted for the non-controlling interests of the former subsidiary.

On 21 June 2021, OcuTerra completed the third closing of the same Series B financing and as a result, Allied Minds' ownership dropped to 18.98% of the issued and outstanding shares. In addition, Allied Minds does not have Board of Directors representation and therefore it is limited in its participation in operating and capital. Based on these factors management have judged that Allied Minds cannot alone impact the policy making processes of the company and there are no other material transaction between the investor and investee. It has therefore been determined, Allied Minds no longer has significant influence over the investee and the investment does not meet the definition of an associate under IAS 28 at this date. As such, Allied Minds' share of common stock is accounted as an investment at fair value in accordance with IFRS 9 for the period beyond 21 June 2021.

Allied Minds' investment in common shares was adjusted by the share of loss of $2.4 million generated by OcuTerra Therapeutics for the period 27 April through 21 June 2021. This reduced the investment in OcuTerra to a zero balance. At 21 June 2021, the investment in OcuTerra's common shares was accounted as an investment at fair value in accordance with IFRS 9. The investment in OcuTerra's common shares was subsequently measured at $2.6 million from $nil at 21 June 2021. This resulted in a gain through profit and loss in relation to the fair value of this amount.

As of 30 June 2022, Allied Minds investment held at fair value related to its Preferred Shares and Common Shares in OcuTerra was valued at $5.0 million (31 December 2021: $6.3 million).

		Ownership percentage	
	Location	**30 June 2022**	**31 December 2021**
OcuTerra Therapeutics, Inc.	Cambridge, MA	17.06%	17.06%

	30 June 2022	**31 December 2021**
	$'000	$'000
Group's interest in net assets of investee, beginning of period	—	—
Addition in the year	—	2,362
Share of loss from continuing operations	—	(2,362)
Carrying amount for equity accounted investees	—	—
Unrecognised share of losses in associate	—	(1,406)
Total outstanding	—	(1,406)

Concirrus: On 29 October 2021, Allied Minds Plc has disposed of its portfolio company, Spark Insights, Inc. to Concirrus, a private UK-based insurance technology company in which Concirrus acquired 100% of the shares of Spark in exchange for the issuance of Concirrus' Series A1 preferred shares. Allied Minds' ownership percentage in Concirrus is 0.98% at 30 June 2022.

Those investments are presented in the below table:

30 June 2022	**Disposals**	**(Loss)/gain from IFRS 9 fair value accounting**	**Additions**	**31 December 2021**
$'000	$'000	$'000	$'000	$'000

Federated Wireless, Inc.	18,603	—	166	4,283	14,154
Orbital Sidekick, Inc.	9,761	—	1,233	—	8,528
TouchBistro, Inc.[2]	—	(4,321)	(9)	—	4,330
OcuTerra Therapeutics, Inc.	5,003	—	(1,273)	—	6,276
Concirrus, LTD[1]	623	—	—	—	696
Total investments at fair value	**33,990**	**(4,321)**	**117**	**4,283**	**33,984**

(1) Concirrus balance is adjusted by foreign currency changes for the period. No fair market value changes were noted as of 30 June 2022.
(2) On 28 March 2022, Allied Minds has completed the disposal of its residual shareholding in TouchBistro for $4.3 million USD. Of the sale proceeds, $3.9 million had been received at the time of the sale and $0.4 million was received subsequent to period end when shares held in escrow were released. This account was reclassified to current assets in line with the nature of this balance.

Allocation Model Inputs

The following presents the quantitative information about the significant unobservable inputs used in the fair value measurement of the Group's financial assets:

As of the period ended:	30 June 2022	31 December 2021
Volatility	50.4%-70.9%	51.8%-81.2%
Time to liquidity (years)	1.0 - 3.0	0.75 - 2.75
Risk-free rate	2.80% - 2.99%	0.29% - 0.89%
IPO/M&A/Sale Probability	0%/ 100%/ n/a	0%/ 100%/ n/a

Sensitivity Analysis

The following summarises the sensitivity from the assumptions made by the Company in respect to the unobservable inputs used in the fair value measurement of the Group's financial assets:

As of the period ended:		30 June 2022 $'000	31 December 2021 $'000
Input	**Sensitivity range**	**Financial assets increase/(decrease)**	
Enterprise Value	-2%	(710)	(780)
	+2%	887	677
Volatility	-10%	446	171
	+10%	(85)	(79)
Time to Liquidity	-6 months	409	534
	+6 months	(212)	(1,756)
Risk-Free Rate [1]	-0.28%/-0.23%	409	809
	0.06% /0.18%	(212)	(465)

(1) Risk-free rate is a function of the time to liquidity input assumption.

Valuation methodology

The fair value is derived using the option pricing model ("OPM"), the Probability-Weighted Expected Return Method ("PWERM") or a hybrid of the two.

The key inputs into these valuation models include the equity value of the portfolio company, the term of the instrument, risk free rate and volatility.

The valuation methodologies utilised for determining the equity value include market approach, income approach or cost approach or hybrid of these approaches. Other methodologies such as asset based and cash in are also utilised where deemed appropriate. It is noted that in the current year none of the equity values were determined using the income approach.

Other valuation approaches

In certain cases, the value of a portfolio company is determined using a market instead of income- based approach.

Where there has been a third party funding round in the year this has been used as the implied value of the portfolio company or comparable guideline public companies or comparable transactions, adjusted for indexation where this is deemed to be appropriate.

Whilst the Board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant.

PWERM and OPM

The principal methods the Group applies for allocation of value are the PWERM, the OPM as well as a hybrid of the two. These models take assumptions such as the equity values, term of the instruments, risk free rate and volatility to determine the fair value of each share class.

The PWERM estimates the value of equity securities based on an analysis of various discrete future outcomes, such as an IPO, merger or sale, dissolution, or continued operation as a private enterprise until a later exit date. The equity value today is based on the probability-weighted present values of expected future investment returns, considering each of the possible outcomes available to the enterprise, as well as the rights of each security class. The key judgement relates to probability weighting of the scenarios.

The OPM treats common stock or derivatives thereof as call options on the enterprise's value or overall equity value. The value of a security is based on the optionality over and above the value securities that are senior in the capital structure (e.g. preferred stock), considering the dilutive effects of subordinate securities. In the OPM, the exercise price is based on a comparison with the overall equity value rather than per-share value.

5. Earnings per share

The calculation of basic and diluted earnings per share has been calculated by dividing the loss for the period attributable to ordinary shareholders of $7.1 million (HY21: income of $2.0 million), by the weighted average number of ordinary shares outstanding of 239,650,273 (HY21: 242,163,396) during the six-month period ended 30 June 2022:

(Loss)/Income attributable to ordinary shareholders:

For the six months ended:	Unaudited 30 June 2022		Unaudited 30 June 2021	
	Basic	Diluted	Basic	Diluted
	$'000	$'000	$'000	$'000
(Loss)/ Income for the year attributed to the ordinary shareholders	(7,096)	(7,096)	1,957	1,957
(Loss)/ Income for the year attributed to the ordinary shareholders	(7,096)	(7,096)	1,957	1,957

Weighted average number of ordinary shares:

For the six months ended:	30 June 2022		30 June 2021	
	Basic	Diluted	Basic	Diluted
Issued ordinary shares	239,650,273	239,650,273	242,163,396	242,163,396
Weighted average ordinary shares	239,650,273	239,650,273	242,163,396	242,163,396

(Loss)/ income per share:

For the six months ended:	Unaudited 30 June 2022		Unaudited 30 June 2021	
	Basic	Diluted	Basic	Diluted
	$	$	$	$
(Loss)/ income per share	(0.03)	(0.03)	0.01	0.01

Awards granted under the LTIP (as defined below) are subject to vesting requirements that are either based on performance conditions and continued services or time conditions only. Per IAS 33, only awards that are subject to performance criteria are considered contingently issuable and therefore represent the only class of potentially dilutive ordinary shares. Based upon information available at the end of the reporting period, no portion of these performance-based awards under the LTIP has vested. Consequently, there are no potentially dilutive shares outstanding at the period end.

6. Share capital, share premium and reserves

The table below explains the composition of share capital:

As of the period ended:	30 June 2022 $'000	31 December 2021 $'000
Equity		
Share capital, £0.01 par value, issued and fully paid 242,187,985 and 242,187,985, respectively	3,767	3,767
Treasury shares	(738)	(738)
Translation reserve	1,140	1,302
Accumulated earnings	33,043	40,156
Equity attributable to owners of the Company	37,212	44,487
Non-controlling interests	138	168
Total equity	37,350	44,655

In 2021 ALM's Board of Directors (the "Board") approved a programme to buy back up to $3.0 million of the Group's shares ("Buyback Programme"). The Buyback Programme ran from the date of the announcement to 6 October 2021. In 2021, the company repurchased 2,537,712 of its own shares for a total value of $737,678.

7. Non-controlling interests

The following summarises the changes in the non-controlling ownership interest in subsidiaries by reportable segment, calculated on the basis of percentage ownership of non-controlling interest in voting stock on an as converted basis, excluding liability classified preferred shares:

	Later stage	Consolidated
	$'000	$'000
Non-controlling interest as of 31 December 2021	**168**	**168**
Share of comprehensive income	(2)	(2)
Equity-settled share based payments	(28)	(28)
Non-controlling interest as of 30 June 2022	138	138

8. Leases

Right of use asset

	Right of use assets
	$000s
Balance at 1 January 2021	414
Depreciation	(112)
Balance at 30 June 2022	302

Lease liability

	Total lease liability
	$000s
Balance at 1 January 2021	873
Cash paid	(499)
Interest expense	17
Balance at 30 June 2022	391

Amounts were arrived at using the contractual minimal lease payments, present valued using the applicable incremental borrowing rate of 5.50%.

During 2019, the Group relocated its corporate headquarters and as a result it sub-leased the office space that has been presented as part of a right-of-use asset. As the sub-lease is for all of the remaining useful economic life of the right-of-use asset, the sub-lease is classified as a finance lease.

9. Preferred shares

At 30 June 2022, BridgeComm Inc. had outstanding preferred shares which were classified as subsidiary preferred shares in current liabilities in accordance with IFRS 9 as BridgeComm has a contractual obligation to deliver cash or other assets to the holders under certain future liquidity events, and/or a requirement to deliver an uncertain number of common shares upon conversion. The preferred shares do not contain mandatory dividend rights. The preferred shares are convertible into common stock of the subsidiary at the option of the holder and are mandatorily convertible into common stock of the subsidiary upon a qualified public offering at or above certain value and gross proceeds specified in the agreements or upon the vote of the holders of a majority of the subsidiary preferred shares. Under certain scenarios the number of common stock shares receivable on conversion will change. The Group has elected not to bifurcate the variable conversion feature as a derivative liability, but account for the entire instrument at fair value through the income statement.

The preferred shares are entitled to a vote with holders of common stock on an as converted basis. The holders of the preferred shares are entitled to a liquidation preference amount in the event of a liquidation or a deemed liquidation event of the respective subsidiary. The Group recognises the subsidiary preferred shares balance upon the receipt of cash financing, and records the change in its fair value for the respective reporting period through profit and loss. Preferred shares are not allocated shares of the subsidiary losses.

The following summarises the subsidiary preferred shares balance:

As of the period ended:	30 June 2022 $'000	Disposals	Finance (income)/cost from IFRS 9 fair value accounting $'000	Additions	31 December 2021 $'000
BridgeComm	951	—	(304)	—	1,255

Total subsidiary preferred shares	951	—	(304)	—	1,255

The redemption is conditional on occurrence of uncertain future events beyond the control of the Group. The amount that would be payable in case of such events is as follows:

As of the period ended:	**30 June 2022**	**31 December 2021**
	$'000	**$'000**
BridgeComm	950	1,260
Total liquidation preference	950	1,260

Valuation methodology

The fair value is derived using the option pricing model ("OPM"), the Probability-Weighted Expected Return Method ("PWERM") or a hybrid of the two.

The key inputs into these valuation models include the equity value of the subsidiary, the term of the instrument, risk free rate and volatility.

The valuation methodologies utilised for determining the equity value include the market approach, income approach or cost approach or hybrid of these approaches. Other methodologies such as asset based are also utilised where deemed appropriate. It is noted that in the current year none of the equity values were determined using the income approach.

Where there has been a third party funding round in the year this has been used as the implied value of the portfolio company or comparable guideline public companies or comparable transactions, adjusted for indexation where this is deemed to be appropriate.

Whilst the Board considers the methodologies and assumptions adopted in the valuation are supportable, reasonable and robust, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant.

PWERM and OPM

The principal methods the Group applies for allocation of value are the PWERM, the OPM as well as a hybrid of the two. These models take assumptions such as the equity values, term of the instruments, risk free rate and volatility to determine the fair value of each share class.

The PWERM estimates the value of equity securities based on an analysis of various discrete future outcomes, such as an IPO, merger or sale, dissolution, or continued operation as a private enterprise until a later exit date. The equity value today is based on the probability-weighted present values of expected future investment returns, considering each of the possible outcomes available to the enterprise, as well as the rights of each security class. The key judgement relates to probability weighting of the scenarios.

The OPM treats common stock or derivatives thereof as call options on the enterprise's value or overall equity value. The value of a security is based on the optionality over and above the value securities that are senior in the capital structure (e.g. preferred stock), considering the dilutive effects of subordinate securities. In the OPM, the exercise price is based on a comparison with the overall equity value rather than per-share value.

Allocation model inputs

The following presents the quantitative information about the significant unobservable inputs used in the fair value measurement of the Group's subsidiary preferred shares liability:

As of :	**30 June 2022**	**31 December 2021**
Volatility	75.0%	77.7%
Time to Liquidity (years)	1.50	2.00
Risk-Free Rate	2.86%	0.73%

The change in fair value of the subsidiary preferred shares is recorded in Finance cost from IFRS 9 fair value accounting in the consolidated statement of comprehensive loss.

Sensitivity Analysis

The following summarises the sensitivity from the assumptions made by the Company in respect to the unobservable inputs used in the fair value measurement of the Group's financial liabilities:

As of:	**30 June 2022**	**31 December 2021**
	$'000	$'000

Input	Sensitivity range		
Enterprise Value	-2%	(80)	(3)
	+2%	35	35
Volatility	-10%	(124)	35
	+10%	35	(3)
Time to Liquidity	-6 months	80	35
	+6 months	195	(3)
Risk-Free Rate	-0.09% / -0.17%	80	35
	0.03%/ 0.12%	195	(3)

The change in fair value of the subsidiary preferred shares is recorded in Finance cost, net in the consolidated statement of comprehensive loss.

10. Share-based payments

The share-based payments for the period were $0.1 million (HY21: $0.2 million) comprising of charges related to the LTIP and the other subsidiary plans. The primary changes affecting the half year period were related to the following:

a) UK Long Term Incentive Plan

Under the UK Long Term Incentive Plan ("LTIP"), awards of Ordinary Shares may be made to employees, officers and directors, and other individuals providing services to the Company and its subsidiaries. Awards may be granted in the form of share options, share appreciation rights, restricted or unrestricted share awards, performance share awards, restricted share units, phantom-share awards and other share-based awards. Vesting is subject to the achievement of certain performance conditions and continued services of the participant.

Awards have been granted under the LTIP based on the following vesting criteria:

- awards subject to performance conditions based on the Company's total shareholder return ("TSR") performance or relative total shareholder return (rTSR) performance over a defined of time;
- awards subject to performance conditions based on a basket of shareholder value metrics ("SVM"). Performance is assessed on these measures on a scorecard basis over a defined period of time;
- awards that vest 100 per cent after a period of time subject to continued service condition only.

On 10 June 2019, the Board determined to retire the long term incentive plan (LTIP) scheme and therefore no future awards will be made to executive directors, management and other employees. Historic awards remained outstanding and eligible to vest in accordance with their terms. A significant majority of the outstanding awards are subject to relative total shareholder return (TSR) performance; however, at the current share price, the performance criteria of these awards will not be met and therefore, no shares are expected to be issued under such awards.

No shares were issued in respect of historic awards under the LTIP and no stock option activity was noted during the six months ended 30 June 2022 (HY21 nil).

The share grants that vest upon the occurrence of a market condition (i.e. the TSR performance) and service condition were adjusted to current market price at the date of the grant to reflect the effect of the market condition on the non-vested shares' value. The Company used a Monte Carlo simulation analysis utilising a Geometric Brownian Motion process with 50,000 simulations to value those shares. The model takes into account share price volatilities, risk-free rate and other covariance of comparable UK public companies and other market data to predict distribution of relative share performance. This is applied to the reward criteria to arrive at expected value of the TSR awards.

The share grants that vest only upon the occurrence of a non-market performance condition (i.e. the SVM grants) and service condition or upon passage of time were valued at the fair value of the shares on the date of the grants. The number of instruments included in the measurement of the transaction amount is subsequently adjusted so that, ultimately, the amount of recognised share-based expense is based on the number of instruments that eventually vest. None of the outstanding awards under the LTIP as of 30 June 2022 are subject to SVM vesting.

The accounting charge does not necessarily represent the intended value of share-based payments made to recipients, which are determined by the Remuneration Committee according to established criteria. The share-based payment charge for the period related to the UK LTIP was $17.4 thousand (HY21: $0.2 million).

During the six-month period ended 30 June 2022, no units have vested under the LTIP and respectively no equivalent number of common stock shares were issued to current and former employees and directors of the Group in exchange for a settlement price of £0.01 per share.

b) U.S. Stock Option/Stock Issuance Plan

The US Stock Option/Stock Issuance Plan (the "US Stock Plan") was originally adopted by Allied Minds, Inc. (now Allied Minds, LLC) in 2008. The US Stock Plan provides for the grant of share option awards, restricted share awards, and other awards to acquire common stock of Allied Minds, Inc. (now Allied Minds, LLC). All stock options granted to employees under this plan are equity settled, for a ten-year term. Pursuant to the Company's IPO in 2014, Allied Minds plc adopted and assumed the rights and obligations of Allied Minds, Inc. under this plan except that the obligation to issue Common Stock is replaced with an obligation to issue ordinary shares to satisfy awards granted under the US Stock Plan. As of 19 June 2014, the maximum number of options reserved under the plan were issued and outstanding and as a result of the Company's IPO in 2014, all issued and outstanding options vested on 19 June 2014. The Company does not intend to make any further grants under the US Stock Plan.

No new stock option grants were awarded in the half-year 2022 and 2021 under the Allied Minds 2008 Plan.

For the six months ended 30 June 2022, no options were exercised (HY21: nil) resulting in $nil (HY21: $ nil) additional share premium for the period.

11. Financial Instruments and Related Disclosures

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

As of 30 June 2022 (Unaudited):

	$'000				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets designated as fair value through profit or loss					
Investments at fair value	33,990	–	–	33,990	33,990
Loans and receivables					
Cash and cash equivalents	10,208				
Trade and other receivables	6,488				
Security and other deposits	641				
Total	51,327	–	–	33,990	33,990
Financial liabilities designated as fair value through profit or loss					
Subsidiary preferred shares	951	–	–	951	951
Convertible notes	6,824	–	–	6,824	6,824
Financial liabilities measured at amortised cost					
Trade and other payables	1,443				
Lease liability	391				
Total	9,609	–	–	7,775	7,775

As of 31 December 2021 (Audited):

	$'000				
	Carrying	Fair value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets designated as fair value through profit or loss					
Investments at fair value	33,984	-	-	33,984	33,984
Convertible note receivable	4,500	-	-	4,500	4,500
Loans and receivables					

Cash and cash equivalents	9,710				
Trade and other receivables	5,912				
Security and other deposits	594				
Total	54,700	-	-	38,484	38,484
Financial liabilities designated as fair value through profit or loss					
Convertible notes	3,109	-	-	3,109	3,109
Subsidiary preferred shares	1,255	-	-	1,255	1,255
Financial liabilities measured at amortised cost					
Trade and other payables	1,061				
Lease liability	873				
Total	6,298	-	-	4,364	4,364

The fair value of financial instruments that are not traded is determined by using valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Where the inputs for determining the fair value of financial instruments are not based on observable market data, the instrument is included in Level 3.

Cash and cash equivalents, trade receivables, and trade payables are carried at cost, which approximates fair value because of their short-term nature.

For assumptions used in the fair value measurement of the Group's convertible notes designated as Level 3.

12. Related party transactions

a) Key management personnel compensation

For the six months ended:	Unaudited 30 June 2022 $'000	Unaudited 30 June 2021 $'000
Short-term employee benefits	151	837
Share-based payments	-	-
Total	151	837

Compensation of the Group's key management personnel includes salaries, health care and other non-cash benefits. Share-based payments are subject to vesting terms over future periods.

b) Key management personnel transactions

For the six months ended:	30 June 2022 $'000	30 June 2021 $'000
Non-executive Directors' fees	151	173
Non-executive Directors' share-based payments	-	-
Total	151	173

Executive management and Directors of the Company control 0.6 % (HY21: 0.6 %) of the voting shares of the Company as of 30 June 2022.

13. Taxation

No current income tax expense was recorded for the period ended 30 June 2022 and 2021 due to continuing operating losses. Furthermore, deferred tax assets have not been recognised in respect of tax losses carried forward, research and development credits and other timing differences, due to history of operating losses and no convincing evidence that future taxable profit will be available against which the Group can use the benefits therefrom, as well as due to potential permanent restrictions under Internal Revenue Code Section 382 rules. No deferred tax liability is recognised in respect of fair value gains as at 30 June 2022 given the current availability of tax losses within the group, which would be sufficient to extinguish any capital gain assessed.

14. Subsequent events

The Company has evaluated subsequent events through 29 September 2022, which is the date the Condensed Consolidated Interim Financial Statements are available to be issued.

On 23 August 2022, the remaining TouchBistro shares were released from the escrow account and as a result, Allied Minds received $0.4 million in proceeds from the pre-arranged sale of these shares. There were no claims against the escrowed shares by TouchBistro and this now fully liquidates Allied Minds' investment in Touch Bistro.

On 9 September 2022, in order to ensure BridgeComm can bid for US Space Development Agency business as a prime contractor, Allied Minds agreed to a new ownership structure with Aeroequity Industrial Partners ("AEI"). Post the period end, in order to implement this structure, $2.0 million of existing Allied Minds debt with BridgeComm was not converted. Allied Minds' fully diluted ownership prior to the transaction was 62.92%.

Also on 9 September 2022, BridgeComm closed a $2.0 million Series B-2 financing in which both AEI and Allied Minds invested $1 million each (inclusive of previous bridge loans), in order for the company to continue operations whilst it seeks to raise further funds from interested investors. This reduced Allied Minds' issued and outstanding ownership to 41.49% (39.77% fully diluted). As a result of this change in ownership holding Allied Minds no longer controls BridgeComm and at the date of the transaction it has been deconsolidated from the Group. Going forward Allied Minds has significant influence and will equity account for the investment held under IAS 28.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm to the best of their knowledge that:

a) the Condensed Consolidated Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting"and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the FCA's Disclosure Guidance and Transparency Rules (4.2.4R); and

b) the Interim Management Report includes a fair review of the information required by the FCA's Disclosure Guidance and Transparency Rules (4.2.7R and 4.2.8R).

The Directors of Allied Minds plc and their functions are listed below.

By order of the Board

Bruce Failing,
Non-Executive Chairman

30 September 2022

COMPANY INFORMATION

Company Registration Number
08998697

Registered Office
Beaufort House
51 New North Road
Exeter EX4 4EP
United Kingdom

Website
www.alliedminds.com

Board of Directors
Bruce Failing *(Non-Executive Chairman)*
Sam Dobbyn *(Independent Non-Executive Director)*
Casey McDonald *(Independent Non-Executive Director)*

INDEPENDENT REVIEW REPORT TO ALLIED MINDS PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows; and associated notes.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of Allied Minds plc (the 'company') and its subsidiaries (the 'Group') are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the [group/company] to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and prepared in a form consistent with that which will be adopted in the Group's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants
London, UK
Date: 29 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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