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29 September 2021

Air Partner plc
(“Air Partner”, “Group” or “Company”)

Half Year Results and Trading Update
Strong H1 trading performance; management upgrading financial expectations for FY 2022

Air Partner, the global aviation services group, is pleased to report unaudited results for the six months to 31 July 2021 (H1). The Company also announces today that it now expects performance for the full year to 31 January 2022 to be materially above market expectations.

As previously announced, Air Partner’s full year results for the year ended 31 January 2021 reported a record performance, driven by exceptional COVID-related trading in Group Charter and Freight. The Directors expected this level of activity to decrease as the global pandemic eased. However, the Group has continued to perform strongly.

The robust performance in the period under review has differed from the last financial year due to a change in business mix. Products and services previously depressed by COVID-19 restrictions have made a significant contribution, while Group Charter and Freight have returned to more normalised levels.

The Directors are extremely pleased with these results, as the financial performance has come from all areas of the Group’s diverse portfolio of aviation services and is therefore more sustainable. Importantly, all products (Group Charter, Private Jets, Freight and Safety & Security) have contributed at least 20% to gross profit.

In August 2021, the Directors undertook the strategically important acquisition of Kenyon International Emergency Services Inc (“Kenyon”), a leading emergency planning and incident response company. This follows the successful acquisition of Redline Worldwide Limited (“Redline”) in late 2019. The Group has budgeted a minimal contribution from Kenyon in H2 2021. However, it is expected to be earnings enhancing in 2022 and we anticipate that it will contribute meaningfully to Air Partner’s long-term financial performance.

The Directors expect to use the Group’s strong cash generation to continue exploring organic investment opportunities and acquisitions in line with its strategy to drive growth by diversifying and extending its customer offering.

Financial highlights*:

- Gross profit of £18.6m, reflecting a strong recovery in Private Jets and a robust performance in Group Charter and Freight as they return to more normalised trading levels (H1 2020: £27.7m / H1 2019: £17.2m)
- Overall, 48.2% of gross profit came from outside of the UK; the US contributed 31.6%
- Underlying profit before tax of £3.8m, materially up by 26.7% on pre-pandemic trading (H1 2020: £10.5m / H1 2019: £3.0m)
- Statutory profit before tax of £3.5m includes amortisation of acquired intangibles, acquisition costs and release of deferred consideration (H1 2020: £8.9m / H1 2019: £2.8m)
- Net cash of £9.8m and liquidity headroom of £24.3m as of period end (comprising of net cash, a £13.0m undrawn RCF and £1.5m overdraft)
- JetCard cash deposits up 12.5% to £19.8m due to high demand in Private Jets (H1 2020: £17.6m / H1 2019: £18.5m)
- Basic EPS of 4.2p; underlying§ EPS of 4.6p, down 64.1% on the prior year, but up 7.0% on H1 2019 (4.3p)
- Declared interim dividend of 0.85p a share (H1 2020: 0.80p), an increase of 6.3%

* H1 2020 reflects the six months to 31 July 2020 and H1 2019 reflects the six months to 31 July 2019. The Directors believe it is helpful to provide, where appropriate, H1 2019 as it was the period prior to the COVID-19 pandemic.
§ - Underlying results are stated before exceptional and other items (see notes 1 & 4)

Operational highlights:

- Private Jets gross profit in the US and UK is now at pre-pandemic levels, despite travel restrictions in Q1; limited activity in Europe
- Impressive growth in JetCard sales, particularly in the US, which saw 229% increase in new members year-on-year, as travellers sought a flexible and bespoke solution for flying requirements
- Group Charter and Freight down on prior year against an exceptional comparable period, due to very high levels of COVID-19 related emergency flying
- Group Charter performance driven by demand from government, oil & gas and sport customers
- Safety & Security performing well in a renascent market, having secured business wins across a diverse range of customers

Current trading and outlook:

- Strong start to H2, driven by government work in Group Charter, the transportation of vaccine raw materials in Freight, and circa 30 flights related to Afghanistan evacuations across both Group Charter and Freight
- Good demand continuing for Private Jets as COVID-19 restrictions ease globally
- Encouraging recovery in Safety, however Security is lagging behind as a consequence of airport footfall being down on pre-pandemic levels
- Kenyon International Emergency Services Inc, acquired in August 2021, performing in line with expectations
- The Board expects underlying profit before tax in the second half of the year to be strongly ahead of H2 FY21, which will result in performance for the full year being materially above current market expectations
- As the business normalises, the expected underlying PBT for FY22 could be c.66% ahead of FY20 (pre COVID-19)

Mark Briffa, CEO of Air Partner, commented: *"I am extremely proud of the progress we have made in the first half of this year, following on from record results last year. Our vision to build a portfolio of diverse aviation services that smooths earnings and builds out our customer offering is clearly progressing, with all four products - Group Charter, Private Jets, Freight and Safety & Security - making a significant contribution to these results. Looking ahead, strong current trading across all areas of our Charter division, and an improving outlook for Safety & Security, gives us confidence in our prospects for H2 and accordingly we have upgraded our financial performance expectations for the full year."*

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("UK MAR").

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About Air Partner:

Founded in 1961, Air Partner is a global aviation services group providing aircraft charter and aviation safety & security solutions to industry, commerce, governments and private individuals, across civil and military organisations. The Group has two divisions: Air Partner Charter, comprising Group Charter, Private Jets, Freight and Specialist Services; and Air Partner Safety & Security, which comprises Baines Simmons, an aviation safety management and fatigue risk management consultancy, Redline Assured Security, a leading provider of global security solutions, Kenyon International Emergency Services, a world leader in emergency planning and incident response, and Managed Services.

Air Partner has 18 locations across four continents, with its headquarters located alongside Gatwick airport in the UK. The group employs around 450 professionals globally and operates 24/7. Air Partner is listed on the London Stock Exchange (AIR) and is the only publicly listed air charter broker and aviation safety & security consultancy. It is ISO 9001:2015 compliant for commercial airline and private jet solutions worldwide. More information is available on the Company's website www.airpartnergroup.com.

CHAIR'S STATEMENT

I am pleased to be able to report a very encouraging set of half year results for the six months to 31 July 2021, with trading now ahead of pre-COVID-19 levels. In the period under review, our broad portfolio of products and services enabled us to continue supporting our global customer base, despite ongoing travel restrictions across much of the world. This builds on the successes of the prior year, when Air Partner reported record results when so many aviation companies were negatively impacted.

While underlying profit before tax and statutory profit before tax were lower than the prior period, H1 2020 was characterised by exceptional levels of COVID-19 emergency work, which the Group did not expect to repeat. However, a number of our business areas have now returned to pre-pandemic levels, which is a real testament to the resilience of our Group. We have continued to see a good level of trading in Group Charter and Freight as our normal business activities have returned, as well as increased demand for Private Jets and Safety & Security as the markets for these products have started to recover.

It remains clear that our diversification strategy is yielding fantastic results for the Group, ensuring that we are able to withstand unpredictable or volatile market conditions in any part of our business, while also significantly enhancing and differentiating our customer offering. Building on this, post the period end, we announced the acquisition of Kenyon International Emergency Services Inc, a truly exceptional and unique business. Kenyon is a world leader in emergency planning and incident response and is highly complementary to both the Group's Safety & Security and Charter businesses.

With recurring, visible revenues from a high-quality customer base, drawn from across multiple sectors and geographies, Kenyon is an exciting addition, which aligns with our stated strategy. We are confident that the acquisition will be earnings enhancing in its first full year of ownership and will provide a platform for us to build out our consultancy and training proposition, particularly in the US, as we continue to extend the products and services we provide to existing and new customers across all our markets.

Dividend

As previously stated, the Board has reviewed the dividend policy to ensure that the Group can pay a sustainable and growing level of dividends over time. The Board targets dividend cover of 3.0 to 3.5 times earnings in a normal year, after adding back non-cash related exceptional items such as amortisation of acquired intangibles. The Board is declaring an interim dividend of 0.85p (H1 2020: 0.80p). This interim dividend is expected to be paid on 12 November 2021 to those shareholders registered at close of business on 15 October 2021. The ex-dividend date will be 14 October 2021.

Prospects

As we head into the second half of the year, I am greatly encouraged by the results we have achieved in the financial year to date. The strong Charter performance in August and September, driven by governmental work and emergency evacuations in Group Charter and Freight, vaccination work in Freight and continued high demand for Private Jets, means the Group is well placed for the rest of the year. As a result, we now expect performance for the full year to 31 January 2022 to be materially above market expectations.

I would like to take this opportunity to extend my thanks to all Air Partner employees for continuing to provide customers with the outstanding service that we are known for, and to our shareholders for their ongoing support.

Ed Warner
Non-Executive Chair

CHIEF EXECUTIVE'S REVIEW

We have had a positive start to our financial year, as the momentum from the end of last year has continued, particularly in the US and Private Jets. As expected, our results are lower than the prior period, due to the extraordinary levels of emergency work we carried out in H1 2020. However, I am delighted to report that our strategy to build a portfolio of diverse aviation services that provides more consistent earnings and extends our customer offering is clearly working, with all four products contributing at least 20% to gross profit in H1. Moreover, we are now trading ahead of our pre-pandemic levels as business starts to return to some degree of normality. It is particularly notable that our successes in the first six months of the year have been achieved despite the ongoing travel restrictions and the lack of any significant one-off events.

Overall, the Charter division, comprised of Group Charter, Private Jets and Freight, delivered gross profit of £14.7m for the six months to 31 July 2021 (H1 2020: £25.5m). While down against the prior period, this was a tough comparison and therefore I am delighted that the division was broadly in line with H1 2019 (£15.0m), despite ongoing aviation restrictions. However, we saw more mixed results across our European Charter markets on account of the continued lack of events, tour operations and meetings, incentives, conferences and exhibitions (MICE) activity. Encouragingly, the US and UK performed particularly well in Private Jets, as high-net-worth individuals (HNWIs) and businesses sought out the flexibility of our bespoke travel solutions to navigate the various travel hurdles.

This strong recovery in Private Jets delivered £5.9m of gross profit, up 28.3% on the prior period (H1 2020: £4.6m). As travel restrictions were eased over the summer months, the UK exceeded pre-pandemic levels as demand from both first-time private jet flyers and many of our existing customers took off, with most flying to European holiday destinations. Private Jets in the US, the largest market for this product, continued to perform well throughout the pandemic, and bookings in H1 were higher than before the pandemic as a result of strong demand for leisure travel by HNWIs, which offset a softening in business travel. Activity in Europe remains limited, although Germany is a noteworthy exception, outperforming both H1 2019 and H1 2020.

We have been particularly pleased by the performance of our JetCard product in the first half of the financial year, with global bookings up 46% and the number of new members up 71% compared to the same period last year. The value of deposits by new JetCard members is also up 130% on the prior year. The product has performed especially well in the US, which saw a 229% increase in new members, a 316% increase in new member deposits, and a 139% increase in bookings. Demand for JetCard has recovered faster than for ad-hoc flying, as our programme allows customers to buy private jet flying 'hours' in advance, while offering fixed rates across six cabin sizes and the ability to change booking details at short notice, without penalty. This bespoke approach has proven popular with travellers who want to fly safely but with flexibility in case their plans change. Our ability to pivot from the record-breaking highs in Group Charter and Freight in H1 2020 to manage this significant demand in Private Jets reflects the depth of our expertise in charter services.

Group Charter made gross profit of £5.0m (H1 2020: £12.3m), which was, as expected, down on the prior period, in which the team carried out exceptional levels of COVID-19 related activity, driven by evacuations and corporate shuttles. It is also still behind H1 2019 (£7.2m) levels due to the significant decrease in events, tour operations and MICE business, predominantly in Europe. However, in the period under review, we have seen a good level of demand from industries that still have flight requirements, notably the government, oil & gas and sport sectors. The team has also operated flights for the energy sector in Europe and Africa, as our ability to cross-sell Baines Simmons' aviation safety and auditing services has helped us to win new business in this key sector.

Within our Specialist Services offering, Air Partner Remarketing's sales conversions have continued to be affected by COVID-19, which is impacting the market for aircraft sales and leasing. The pipeline still remains at year end levels, which is encouraging for when the market recovers. Air Evacuation remains strong, with 86% customer retention, and future growth of this product is expected to be driven by integrating business development activities with Kenyon and leveraging its extensive customer base.

The Freight team remained busy at the start of our financial year, delivering COVID-19 test kits and vaccine raw materials. Although Freight gross profit is down year-on-year at £3.8m (H1 2020: £8.6m), again this should be viewed in the context of the significant emergency work carried out in the prior year. Against pre-pandemic levels, Freight's gross profit is up 100.0% on H1 2019 (£1.9m) as a result of the investments we have made in building our presence in this market across our various locations in line with our customers' requirements. This is a key strategic driver for us going forward.

Safety & Security gross profit was up 69.6% to £3.9m (H1 2020: £2.3m). Our activities here were significantly impacted by COVID-19 and it was great to see this division return to more normal business activity in H1, as our airport and airline customers scaled up operations ahead of some travel restrictions being eased. Baines Simmons is not yet back at pre-pandemic levels but nevertheless has seen a marked improvement. It has successfully converted many of its safety training courses from classrooms to virtual delivery and is seeing a strong recovery with the military sector, with customers including the UK Military Aviation Authority, Leonardo (an aerospace company) and the Royal New Zealand Defence Force. In March, it was also awarded a contract for fatigue risk management services by the Department for Transport's Marine Accident Investigation Branch. However, work with commercial aviation organisations remains quiet as a result of ongoing travel restrictions.

We acquired Redline in December 2019, just prior to the COVID-19 outbreak, and, aside from assisting some significant repatriation work at the start of the pandemic, the company has still not had the chance to show its true capabilities in a normalised market. Government measures have resulted in low airport movements and this has held back the business. Despite this, in the first six months of the financial year the company has renewed nine contracts, totalling nearly £1 million of annualised revenue, and secured five new business wins with Gatwick Airport, Doncaster Sheffield Airport, Teesside International Airport, DHL and the Welsh Parliament. The fact that Safety & Security's gross profit is up 85.7% on H1 2019 (£2.1m) is largely attributable to Redline's contribution following its acquisition. We remain very confident about this area of the Group and look forward to it flourishing as travel restrictions continue to ease.

Pleasingly, Air Partner CHS, which we acquired in November 2020, has also made a positive contribution to the Group and is currently tracking ahead of management's expectations.

Strategic progress

Organic growth

It is extremely positive to see the continued growth of our US division, which is largely a result of the investments we have made in the region in recent years, both in people and new office openings. The region will remain a key area of focus going forward, and we are excited about both our prospects in Charter and the emerging opportunities around consulting and training following our acquisition of Kenyon.

Outside of the US, we are also seeing progress from other regions in which we have invested as part of our ongoing global expansion strategy. In the period under review, we have seen the Dubai's Private Jets business establish itself properly, after it was hindered by the pandemic last year. Singapore has played a key role supporting other teams on COVID activity and, although it is yet to reach its full potential in the current market conditions, we remain confident in the region's prospects and will continue to explore investment opportunities here.

Diversification / M&A

Shortly after the end of H1, we announced our acquisition of Kenyon International Emergency Services Inc, a world leading emergency planning and incident response company. Kenyon is an excellent strategic fit for Air Partner: it is expected to be earnings enhancing in its first full year of ownership; is highly complementary to our existing Safety & Security and Charter businesses; provides recurring and visible revenue; increases our consulting and training activities while adding new capabilities; and offers cross-selling opportunities with other areas of the Group.

Furthermore, Kenyon boasts a diverse and high-quality customer base and, like Air Partner, is trusted by many of the world's most high-profile companies, governments and institutions. Over 600 customers (including c.400 aviation customers) retain its services every year in segments including government (national and regional), emergency services, humanitarian, education, insurance, leisure, hospitality & tourism, transport & logistics (airports, aviation, maritime and rail), technology, business services, manufacturing, natural resources (mining, oil & gas), infrastructure and sports.

We believe this to be a very important acquisition for Air Partner, significantly extending our sector reach and global product offering. With this new addition, the experience and breadth of services we can now offer across the Group is far greater than before and truly unique. Kenyon has a strong brand and reputation and this will provide us with a solid platform from which to launch our Safety & Security products in the US.

Since we embarked upon our M&A strategy in 2015, we have successfully demonstrated our ability to acquire businesses that diversify our product offering, delivering real value to customers and shareholders alike. We are prepared to spend years monitoring potential targets before acquisition, using this time to build relationships with management and owners so that we can fully understand the companies' business models and how they may complement our existing portfolio. Both Redline and Kenyon are examples of this approach, as we first met the owners many years before acquiring the businesses.

Environmental, Social, and Governance (ESG)
We are at the start of our ESG journey but we are committed to better understanding and improving the impact of our operations on the environment and society. We are working with ClimateCare to enable our customers to offset emissions for any flight taken with Air Partner and we have an ongoing project to reduce our overall energy consumption as a business, with new plans set for later this year.

We have always placed a very strong emphasis on investing in the training and development of our people, and we have now introduced a mentoring programme to support this, in which employees are paired with members of the senior management team in order to help them achieve their career objectives within the Group.

In May, we were delighted to announce a new corporate partnership with the Charlie Waller Trust, a mental health charity, with which we are working closely to continue the development of our mental health policy and training for management. The Trust will hold a pilot training session with the human resources team and associated staff, a workshop with senior leaders, and training sessions with line managers.

Post period end, we also entered into an exciting new partnership with Raleigh International, an environmental charity. Raleigh aligns well with our objectives to make sure our people are actively engaged in climate change as this will be fundamental to the business going forward. We are backing Raleigh's campaign "Action Not Excuses", which is supporting 100,000 young people across the world to create green jobs, fight for zero waste and pollution, and reverse deforestation.

Current trading and outlook
Our performance in the first half of the year has demonstrated once again Air Partner's fortitude in the face of unpredictable and fluctuating circumstances. Although the timing of easing of restrictions on travel remains uncertain across Air Partner's various geographies, the Board is greatly encouraged by current trading, which is being driven by the ongoing recovery in some areas of the business and a return of core activity in others.

The Charter division has enjoyed a good start to the year and we are optimistic about its ongoing prospects, expecting a strong performance from Private Jets and Freight in the US. The UK is also performing well, with Group Charter carrying out extensive government work and Private Jets trading at pre-pandemic levels, while Freight is also seeing steady demand. In August 2021, Group Charter also carried out significant evacuation and repatriation work, safely flying over 3,000 British and Afghan nationals from Kabul in Afghanistan to the UK. We anticipate that the recovery in our European business will be more gradual, however, we are seeing green shoots of recovery in Private Jets here, alongside an increasing level of enquiries for tour operations.

We expect to see continued demand for our Safety & Security services from both new and existing customers, especially as previously mothballed aviation operations are brought back into action. Baines Simmons has recently won two new contracts with an international airline and a ferry operator, while Redline is benefitting from increased demand for covert testing and training from airport operators in the UK. We see good potential for the division for the remainder of the year and beyond as we expect travel restrictions to continue to lift and airports to return to full capacity.

We will continue to pursue our organic growth initiatives by hiring excellent people with books of business and expanding into new geographies where we see opportunity. We will also seek to undertake targeted acquisitions in either our Safety & Security or Charter divisions if they will add value to our customers and deliver an appropriate return on capital.

The Board is delighted to announce a positive trading update for the full year outturn to 31 January 2022 and now expects performance to be materially above market expectations.

Mark Briffa,
Chief Executive Officer

FINANCIAL REVIEW

Gross transactional value and revenue

Air Partner uses gross profit as its key indicator of business performance. This is due to the potential for revenue, as determined under IFRS, to fluctuate depending on the number of contracts enacted in the year where the Company acts as principal as opposed to an agent. For the sake of completeness, commentary below is given on gross transaction value (GTV) and revenues.

GTV of £107.6m (H1 2020: £182.6m) was down 41.1%. This decline was expected due to the exceptional COVID-19 related activity in the prior year, as described in more detail in the gross profit section below. GTV represents the total value invoiced to customers and is stated exclusive of value added tax.

Revenue of £33.6m (H1 2020: £36.6m) was down 8.2% year-on-year. The decrease is smaller than the drop at a GTV level due to stronger trading in the current period from Private Jets and Safety & Security, as well as an increased number of government contracts where Air Partner is more likely to act as principal.

Gross profit

Gross profit of £18.6m (H1 2020: £27.7m) decreased 32.9% year-on-year as the one-off COVID-19 related work in the prior year has not repeated. As a result, the movement has mainly come from the Charter division, which decreased by 42.4% to £14.7m from £25.5m the previous year.

Charter gross profit comparison to H1 2020 can be unrepresentative due to the exceptional levels of trading in that period. The analysis below also makes reference, where appropriate, to H1 2019 gross profit of £15.0m, which is considered a more meaningful comparator than H1 2020 due to the impact of COVID-19.

Although there has been a decline in COVID-19 related work, several aspects of the Group's core Charter business have shown signs of recovery. Private Jets gross profit of £5.9m (H1 2020: £4.6m) was an increase of 28.3%, as HNWIs sought to travel in the most COVID-19 secure way possible, and is broadly in line with H1 2019 gross profit of £6.0m.

Group Charter gross profit is down £7.3m to £5.0m (H1 2020: £12.3m) due to the extensive evacuation and repatriation flights in the prior year. Although we have seen government work return, scheduled group travel, tours operations and MICE activities have continued to be affected by COVID-19 travel restrictions. The financial impact of the pandemic on the aviation industry means that opportunities for Remarketing remain limited and a return to historic trading is not expected this year. The limited recovery of these products is why gross profit is £2.2m lower than the H1 2019 gross profit of £7.2m.

Freight gross profit of £3.8m (H1 2020: £8.6m) is down 55.8% on the prior period. Apart from H1 2020, this is the strongest result for Freight in many years and is an increase of £1.9m on H1 2019 (gross profit of £1.9m). Business has come from supporting supply lines disrupted by border closures and COVID-19 related shipments, albeit the latter has been at a lower level than the prior period. It also demonstrates the return on investment in talent acquisition over the last three years.

The Safety & Security division was the most adversely impacted division in the prior period but has made a promising start to the year. Year-on-year gross profit has increased by 69.6% to £3.9m (H1 2020: £2.3m), driven by returning activity in Redline and Baines Simmons. Air Partner CHS has made a respectable profit following the purchase of trade and assets in late 2020. Gross profit is £1.8m above the H1 2019 result of £2.1m, which is entirely attributable to Redline and Air Partner CHS, which were acquired after this period. Removing these entities from the current period results leaves a gross profit of £1.7m, 19.0% down on H1 2019, showing that the recovery is still ongoing for Safety & Security.

Considering gross profit by geographical segments, the UK has contributed 51.8% of the total gross profit (H1 2020: 40.4%), despite a decline of £1.6m (H1 2021: £9.6m; H1 2020: £11.2m). The increased share is due to the reduced contribution from the US (H1 2021: £5.9m; H1 2020: £12.5m) as a result of the reduction in COVID-19 related work. The US remains a key market for the Group, contributing 31.6% (H1 2020: 45.1%) of the total gross profit in the period, the highest share outside of the UK.

Europe contributed gross profit of £2.8m in both H1 2021 and H1 2020. Government work and a limited return in Private Jets has offset the reduction in COVID-19 related Freight. However, Europe historically provided a larger proportion of the tour operations and MICE based sales and these markets are yet to recover. This is reflected by the fact gross profit is down 42.9% on H1 2019 (£4.9m). Rest of World is also down £1.0m (H1 2021: £0.3m; H1 2020: £1.3m) due to the majority of prior year gross profits coming from COVID-19 work.

Administrative expenses

Costs included in administrative expenses in the consolidated income statement are the Charter personnel costs, sales and marketing, finance, information systems, human resource management, legal and compliance, and other administrative costs.

Underlying administrative costs, excluding net impairment losses on financial assets, decreased year-on-year by 4.4% to £15.3m (H1 2020: £16.0m). The decrease is driven by lower commission payments resulting from the reduced gross profit. Reductions in government support for staff costs and the return of all UK staff to 100% working has offset the savings resulting from the restructuring in the prior period.

The Group has received £0.7m of support in solidarity support for lost income in France (H1 2020: £nil). Income has been recognised for approved claims only. This is included within other operating income.

Finance costs

The net interest charge for the period of £0.2m was lower than the prior period (H1 2020: £0.3m), reflecting the repayment of the revolving credit facility (RCF). Finance costs are expected to increase in the second half of the year due to the drawing down of £5.0m of cash to fund the acquisition of Kenyon International Emergency Services Inc.

Underlying profit before tax

The above results translated to an underlying* profit before tax of £3.8m, a decrease of £6.7m (63.8%) on the prior year (H1 2020: £10.5m). However, the result is £0.8m (26.7%) higher than pre-pandemic levels (H1 2019: £3.0m).

**Underlying profit before tax is stated before exceptional and other items.*

Exceptional and other items

Exceptional items are excluded from underlying performance measures by virtue of their size and nature, in order to better reflect management's view of the performance of the Group. In the year under review, the net effect of exceptional and other items on operating profit was a charge of £0.2m (H1 2020: £1.6m).

Exceptional and other items excluded from underlying profits in the period are broken down as follows:

	July 2021 £m's	July 2020 £m's	FY January 2021 £m's
Underlying profit before tax	**3.8**	10.5	11.6
Restructuring costs	**-**	(0.4)	(0.8)
Amortisation of acquired intangibles	**(1.1)**	(1.2)	(2.4)
Acquisition costs	**(0.1)**	-	-
Adjustments to deferred consideration	**1.0**	-	-
Statutory reported profit before tax (£m)*	**3.5**	8.9	8.4

** Difference as a result of rounding.*

The amortisation of intangibles arising on acquisition of £1.1m (H1 2020: £1.2m) remain broadly in line with the prior period as there had been no further acquisitions at the reporting date. Acquisition costs are costs incurred up to the reporting date relating to the acquisition of Kenyon International Emergency Services Inc. The Directors have released the provision for the deferred consideration relating to the acquisition of Redline Worldwide Limited as the most recent forecasts suggest the company is unlikely to meet the targets required for the consideration to be paid.

A provision of £0.3m was made in a prior period in respect of indirect tax charges relating to a tax reassessment in France. The provision is based on management's best estimate of the reassessment liability after taking expert legal advice. There have been no further developments following the end of the prior financial year and as a result there has been no change to the provision held.

Statutory reported profit before tax

After the above exceptional and other items, statutory reported profit before tax was £3.5m, down 60.7% on the prior year (H1 2020: £8.9m).

Taxation

The Group seeks to manage the cost of taxation in a responsible manner to enhance its competitive position on a global basis while managing its relationships with tax authorities on the basis of full disclosure and legal compliance.

The underlying tax charge* of £0.9m (H1 2020: £3.3m) represents an effective tax rate of 22.9% (H1 2020: 31.5%) on the underlying profits before tax. The lower tax rate reflects the reduced concentration of profits in countries with higher tax rates. The other operating income has no tax charge as it is all tax exempt in France. If the other operating income is removed, the underlying effective rate is 28.1%.

On a statutory reported profit basis, the effective rate of taxation was 25.0% (H1 2020: 35.9%), due to the impact of the change in the UK tax rate used for the calculation of the deferred tax liabilities on the acquired intangibles and the income from the release of deferred consideration being tax exempt.

** Adjusting for exceptional and other items.*

Earnings per share

Basic underlying* earnings per share from continuing operations was 4.6p (H1 2020: 12.8p), a decrease of 64.1% on the prior year. On a statutory basis, earnings per share from continuing operations was 4.2p (H1 2020: 10.1p), down by 58.4%. The decreases were driven by the exceptional levels of COVID-19 related trading in the prior period.

**Underlying earnings are stated before exceptional and other items, see note 4.*

Dividends

As previously stated, the Board has reviewed the dividend policy to ensure that the Group has the ability to pay a sustainable and growing level of dividends over time. Recognising the importance of dividends to Air Partner's shareholders, many of whom are private investors, the Board targets dividend cover of 3.0 to 3.5

times earnings in a normal year, after adding back non-cash related exceptional items such as amortisation of acquired intangibles.

As a result, the Directors are declaring an interim dividend of 0.85p, an increase of 6.3% on H1 2020 (H1 2020: 0.80p).

The interim dividend is expected to be paid on 12 November 2021 to those shareholders registered at close of business on 15 October 2021. The ex-dividend date will be 14 October 2021.

Statement of financial position

Shareholders' funds

After considering the profit for the period, exchange rate differences and dividends paid, overall shareholders' funds at 31 July 2021 are £23.1m, representing an increase of £1.3m on the position at 31 July 2020 (31 July 2020: £21.8m) and an increase of £2.0m on 31 January 2021 (31 January 2021: £21.1m).

Goodwill and intangibles

Under IFRS, goodwill is subject to annual impairment tests. No impairments were identified. Goodwill in the statement of financial position is carried at £8.7m (31 January 2021: £8.7m). Intangible assets arising from business combinations are assessed at the time of acquisition in accordance with IFRS 3 and are amortised over their expected useful life. This amortisation is excluded from underlying profits.

Other intangible assets comprise software development costs. In the period, the Group spent £0.1m (H1 2020: £0.2m) on the development of customer focused applications.

Other balances

Movements in other balances within the statement of financial position reflect the trading results of the period.

Excluding the right of use assets recognised under IFRS 16, the Group has property, plant and equipment totalling £0.7m (H1 2020: £1.0m). Capital expenditure remains low (H1 2021: £0.1m; H1 2020: £0.1m) as the Group continued to manage spend carefully.

Overall, there was a negative movement in working capital of £2.3m in the period (H1 2020: positive movement of £8.8m), excluding the movement on the JetCard cash. The negative movement is driven by an increase in receivables of £6.6m, resulting from an uptake in trading towards the end of the period and the reintroduction of credit terms for a number of customers. This substantial positive movement in working capital during the prior period was expected to be a one-off increase due to the impact of the pandemic and the negative movement this year is in line with expectation.

As referenced in Exceptional and other items, we have released the full £1.0m deferred consideration balance that relates to the acquisition of Redline Worldwide Limited.

Cash generation and net debt

The Group generated £4.2m (H1 2020: £18.7m) of net cash from operating activities after investing in capital expenditure and software development. The level of cash generated is encouraging, as it is despite the aforementioned negative movement in working capital, including the settlement of remuneration packages based on the prior year's performance.

Net cash excluding JetCard cash was £9.8m (31 January 2021: £9.9m). Including JetCard cash of £19.8m (31 January 2021: £17.8m), net cash was £29.6m (31 January 2021: £27.7m). JetCard cash is held in separate segregated bank accounts and is not used for the Group's working capital needs.

The only borrowing remaining in the Group relates to the leases recognised under IFRS 16, which include property leases, motor vehicles, office equipment and the right of use of an Italian aircraft under a Charter agreement that is due to expire in the next financial year. The total lease liability in current and non-current liabilities is £5.1m (H1 2020: £7.0m).

Following the period end, the acquisition of Kenyon International Emergency Services Inc resulted in an initial cash outflow of £7.4m, of which £5.0m was drawn down from the RCF. As a result, as of 31 August 2021, the Group had net cash of £4.7m.

Bank facilities

The Group has total debt facilities with NatWest of £14.5m. £13.0m of this is a revolving credit facility, none of which was drawn down at 31 July 2021. To support short-term liquidity, the Group has access to a £1.5m overdraft facility. This was not utilised at 31 July 2021. The Group has complied with all the financial covenants relating to these facilities.

Exchange rates

The results of overseas operations are translated into Sterling at average exchange rates. The net assets are translated at period-end rates. The principal exchange rates, expressed in terms of the value of Sterling, are shown in the following table.

Average rates				Period-end rates		
	31 July 2021	31 July 2020		31 July 2021	31 July 2020	
USD	1.39	1.26	USD weakened by 10.3%	1.39	1.31	USD weakened by 6.1%
EUR	1.15	1.14	EUR weakened by 0.9%	1.17	1.11	EUR weakened by 5.4%

If the exchange rates were consistent with prior period, gross profit for the period would have been £19.2m (increase of £0.6m) and underlying administrative expenses, including net impairment losses on financial assets and other operating income, would have been £15.0m (increase of £0.4m). As a result, the net impact on underlying profit before tax in the period would have been an increase of £0.2m.

Accounting policies and recent accounting developments

The accounts in this report are 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 accounting polices used in preparing these accounts are set out in note 1.

Treasury and risk management

Foreign currency effects

Where possible, the Group uses natural hedges to minimise its foreign exchange exposure, for example matching JetCard deposits denominated in Euro or US Dollar with the respective liability. In addition, the Group uses derivatives to hedge certain transactions in accordance with its internal policies.

Financial risks

The main financial risks faced by the Group are credit risk, foreign currency risk, interest rate risk and liquidity risk. The Directors regularly review and agree policies for managing these risks.

Credit risk is managed by monitoring limits and payment performance of counterparties. The Directors consider the level of general credit risk in current market conditions to be higher than normal. Where a customer is deemed to represent a level of credit risk, terms of trade are modified to limit the Group's exposure.

Foreign currency risk is managed by matching payments and receipts in foreign currency to minimise exposure.

Interest rate risk is managed by holding a mixture of cash and borrowings in Sterling, US Dollar and Euro at fixed and floating rates of interest.

Liquidity risk is managed by the Group having access to a revolving credit facility, which can be used for working capital means, and a moderate overdraft facility to provide short-term flexibility.

Going concern

The Group's business activities, together with the factors likely to affect its future development, recent acquisition, performance and position, are set out in the Chair's Statement and Chief Executive's Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, the Group's objectives, policies and processes for managing its capital risk, details of its financial instruments and hedging activities, and its exposures to interest rate risk, credit risk, liquidity risk and foreign currency risk, are laid out in the section 'Principal Risks and Uncertainties' in the annual report for the year ending 31 January 2021.

COVID-19 has increased uncertainty surrounding the future trading environment for the Group. Whilst performance in the first half of the current financial year has been strong, visibility remains fairly low for the next 12 months. Accordingly, the Directors have undertaken a thorough assessment in evaluating Going Concern. This has been assessed by reference to cash forecasts through to January 2023, which reflect a cautious view of trading activity across our divisions, and further prudence has then been applied to reflect a slower recovery in underlying performance from the COVID-19 pandemic. The cautious forecasts used are seen as the lowest outcome of likely outturns and include a number of cash mitigation actions that could be undertaken if necessary.

The Directors have taken the steps necessary to equip the Group to deal with the economic impact of the COVID-19 pandemic. These include reviewing credit terms, cost-cutting measures and utilising government support where appropriate. The Directors believe the steps detailed above and the strong cash position at the end of August 2021 mean the Group is well placed to manage its business and meet its liabilities as they fall due.

Based on current financial projections, the Directors are satisfied to a material level of certainty that the Group has sufficient resources to continue in operation for the foreseeable future, that is, a period of at least 12 months from the date of this report.

Joanne Estell
Chief Financial Officer

Forward-looking statements

Announcements issued by Air Partner plc may contain forward looking statements, indicated by words such as "aims," "believes," "expects," "intends," and similar expressions. These statements reflect current views and expectations up to the date of approval of this statement and are made in good faith by the Directors. Unless otherwise required by laws, regulations or changes in accounting standards, Air Partner accepts no obligation to update these statements as a result of future events or new information subsequently obtained. New announcements will be made to the market as required under the Disclosure and Transparency Rules.

Trends and factors affecting the business

The ongoing impact of the COVID-19 pandemic on the aviation industry globally, characterised by extensive travel restrictions, and our operating environment remains extremely challenging. The Group has been able to manage the risk due its well-diversified product offering and the actions of the Directors to manage costs. Although the performance in the current period shows a return to historic trading levels for several of the Group's core products, the Directors remain aware that restrictions and regulations continue to change rapidly and could negatively impact the Group. We continue to monitor the situation closely so that we can take any necessary action as we manage the business for the long term and in the best interests of all stakeholders.

Following the United Kingdom's withdrawal from the European Union, the extent of potential regulatory change remains uncertain. We are closely following events as they develop; we comply with all relevant regulations and are confident that we will continue to do so. The strong relationships the Group has across airline operators should enable it to source alternatives to best meet our customers' needs. Within Safety & Security, changes to rules and regulations tend to create business opportunities for the Group, providing balance against perceived risks.

Economic uncertainty affects corporate, government and individual customers, as well as the quality and availability of supply of aircraft as operators consolidate or leave the market. These trends are outside the Group's control, but the strategy remains to diversify the addressable market and broaden the customer mix.

Principal risks and uncertainties facing the Group

In addition to the COVID-19 and Brexit risks highlighted above, the Group continues to operate in a highly competitive market where there are a number of inherent risks, including operational aviation related risks (such as quality and quantity of supply, adverse weather conditions, competitive pricing pressure and regulatory changes) and financial risks (such as foreign exchange and interest rate fluctuations, credit risk and liquidity and cash flow management).

In order to counteract the market challenges, the organisation continues to diversify and acquire businesses that provide good economic and operational synergies. Whilst this will have a positive impact, there is also a risk regarding integration within the Group.

The Board reviews risks which may have a significant impact on the Group. The principal risks and uncertainties of the Group are detailed in the relevant section in the annual report. There have been no material changes other than those highlighted above since the signing of the most recent annual report.

Related party transactions

There has been no significant change in the level of transactions between Air Partner plc and its subsidiaries since that disclosed in the annual report for the year ended 31 January 2021. Such transactions did not materially affect the financial position or performance of the Group in the period under review. There are no other related party transactions which are required to be disclosed under DTR 4.2.8R.

Directors' responsibility statement

The Directors confirm that these condensed interim financial statements have been prepared in accordance with 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 and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

Mark Briffa	Joanne Estell
Chief Executive Officer	Chief Financial Officer
28 September 2021	28 September 2021

The directors of Air Partner plc are listed in the Group's annual report for the year ended 31 January 2021 and on our website at www.airpartnergroup.com/who-we-are/board-of-directors/.

See more at: www.airpartnergroup.com/investors/.

Consolidated income statement

for the half year ended 31 July 2021

Continuing operations	Note	Half year ended 31 July 2021 (unaudited) £'000	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Gross transaction value (GTV)	2	**107,595**	182,585	274,785
Revenue	2	**33,604**	36,581	71,173
Cost of sales	2	**(15,020)**	(8,836)	(26,303)
Gross profit	2	**18,584**	27,745	44,870
Administrative expenses before exceptional and other items		**(15,317)**	(15,964)	(32,071)
Other operating income	3	**695**	-	43
Exceptional and other items	4	**(218)**	(1,638)	(3,179)
Total administrative expenses		**(14,840)**	(17,602)	(35,207)
Net impairment losses on financial assets	11	**(17)**	(982)	(810)
Operating profit	2	**3,727**	9,161	8,853
Operating profit before exceptional and other items		**3,945**	10,799	12,032
Finance income		**1**	26	29
Finance costs		**(185)**	(291)	(503)
Finance costs - net		**(184)**	(265)	(474)
Profit before income tax		**3,543**	8,896	8,379
Profit before income tax and exceptional and other items		**3,761**	10,534	11,558
Income tax expense	9	**(884)**	(3,196)	(2,747)
Profit for the period		**2,659**	5,700	5,632
Attributable to:				
Owners of the parent company		**2,659**	5,700	5,632
Earnings per share:				
Continuing operations				
Basic	6	**4.2p**	10.1p	9.4p
Diluted	6	**4.1p**	10.0p	9.3p

Consolidated statement of comprehensive income

for the half year ended 31 July 2021

	Half year ended 31 July 2021 (unaudited) £'000	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Profit for the period	**2,659**	5,700	5,632
Other comprehensive income – items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	**(18)**	(267)	(743)
Total other comprehensive expense for the period	**(18)**	(267)	(743)
Total comprehensive income / (expense) for the period	**2,641**	5,433	4,889
Attributable to:			
Owners of the parent company	**2,641**	5,433	4,889

Consolidated statement of changes in equity

for the half year ended 31 July 2021 (unaudited)

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2020	535	5,895	295	(158)	661	1,965	**9,193**
Profit for the period	-	-	-	-	-	5,700	**5,700**
Exchange differences on translation of foreign operations	-	-	-	-	(267)	-	**(267)**
Total comprehensive income for the period	-	-	-	-	(267)	5,700	**5,433**
Issue of shares	100	56	6,896	-	-	-	**7,052**
Redemption of shares	-	-	(6,896)	-	-	6,896	**-**
Share option movement for the period	-	-	-	-	-	132	**132**
Share options exercised in the period	-	-	-	91	-	(86)	**5**
Dividends paid (note 5)	-	-	-	-	-	-	**-**
Closing equity as at 31 July 2020	635	5,951	295	(67)	394	14,607	**21,815**

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
Opening equity as at 1 February 2021	636	5,951	295	(67)	(82)	14,349	**21,082**
Profit for the period	-	-	-	-	-	2,659	**2,659**
Exchange differences on translation of foreign operations	-	-	-	-	(18)	-	**(18)**
Total comprehensive income for the period	-	-	-	-	(18)	2,659	**2,641**
Share option movement for the period	-	-	-	-	-	357	**357**
Dividends paid (note 5)	-	-	-	-	-	(1,016)	**(1,016)**
Closing equity as at 31 July 2021	636	5,951	295	(67)	(100)	16,349	**23,064**

Consolidated statement of financial position

as at 31 July 2021

	Note	31 July 2021 (unaudited) £'000	31 July 2020 (unaudited) £'000	31 January 2021 (audited) £'000
Assets				
Non-current assets				
Goodwill	7	**8,657**	8,711	8,692
Other intangible assets		**8,011**	10,619	9,260
Property, plant and equipment		**5,539**	7,268	6,047
Deferred tax assets		**731**	669	700
Total non-current assets		**22,938**	27,267	24,699
Current assets				
Trade and other receivables		**16,059**	10,483	9,908
Current tax assets		**601**	270	816
JetCard bank balances		***19,830***	*17,579*	*17,805*
Other cash and cash equivalents		***9,792***	*17,982*	*9,916*
Total cash and cash equivalents		**29,622**	35,561	27,721
Total current assets		**46,282**	46,314	38,445
Total assets		**69,220**	73,581	63,144
Liabilities				
Current liabilities				
Trade and other payables		**(5,750)**	(7,035)	(4,287)
Current tax liabilities		**(354)**	(3,116)	(175)
Other liabilities		**(5,517)**	(7,765)	(6,903)
Lease liabilities		**(3,327)**	(4,278)	(4,809)
Deferred income and JetCard deposits		**(26,935)**	(22,216)	(21,423)
Deferred consideration		**-**	(1,045)	-
Provisions		**(719)**	(381)	(735)
Derivative financial instruments		**(20)**	(5)	-
Total current liabilities		**(42,622)**	(45,841)	(38,332)
Net current assets		**3,660**	473	113
Non-current liabilities				
Lease liabilities		**(1,820)**	(2,683)	(1,060)
Deferred consideration		**-**	(986)	(991)
Deferred tax liability		**(1,547)**	(1,860)	(1,511)
Provisions		**(167)**	(396)	(168)
Total non-current liabilities		**(3,534)**	(5,925)	(3,730)
Total liabilities		**(46,156)**	(51,766)	(42,062)
Net assets		**23,064**	21,815	21,082
Equity				
Share capital		**636**	**635**	636
Share premium account		**5,951**	**5,951**	5,951
Merger reserve		**295**	**295**	295
Own shares reserve		**(67)**	**(67)**	(67)
Translation reserve		**(100)**	**394**	(82)
Retained earnings		**16,349**	**14,607**	14,349
Total equity		**23,064**	**21,815**	21,082

Consolidated statement of cash flows

for the half year ended 31 July 2021

	Note	31 July 2021 (unaudited) £'000	31 July 2020 (unaudited) £'000	31 January 2021 (audited) £'000
Cash generated from operations	8	**5,014**	20,306	19,416
- Interest received		**1**	26	29
- Interest paid		**(175)**	(325)	(512)
- Income tax paid		**(502)**	(1,050)	(4,653)
Net cash inflow from operating activities		**4,338**	18,957	14,280
Investing activities				
– Purchases of property, plant and equipment		**(66)**	(64)	(337)
– Purchases of intangible assets		**(64)**	(195)	(231)
– Proceeds on disposal of PPE		**-**	-	21
– Acquisition of subsidiaries		**-**	(278)	(1,278)
Net cash used in investing activities		**(130)**	(537)	(1,825)
Financing activities				
– Repayment of finance lease liabilities		**(674)**	(869)	(1,617)
– Dividends paid to the Company's shareholders		**(1,016)**	-	(508)
– Proceeds on issue of new shares		**-**	7,052	7,052
– Proceeds on exercise of share options		**-**	5	5
– (Decrease) / increase in borrowings		**-**	(11,500)	(11,500)
Net cash (used in) / generated from financing activities		**(1,690)**	(5,312)	(6,568)
Net increase in cash and cash equivalents		**2,518**	13,108	5,887
Opening cash and cash equivalents		**27,721**	21,375	21,375
Effect of foreign exchange rate changes		**(617)**	1,078	459
Closing cash and cash equivalents		**29,622**	35,561	27,721

JetCard cash

The closing cash and cash equivalents balance can be further analysed into 'JetCard cash' received by the Group in respect of its JetCard product and 'non-JetCard cash' as follows:

	31 July 2021 (unaudited) £'000	31 July 2020 (unaudited) £'000	31 January 2021 (audited) £'000
JetCard cash	**19,830**	17,579	17,805
Non-JetCard cash	**9,792**	17,982	9,916
Cash and cash equivalents	**29,622**	35,561	27,721

1 GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

General information

The Directors of Air Partner plc (the "Company") present their interim report and the unaudited condensed consolidated financial statements for the six months ended 31 July 2021.

The Company is a public listed company incorporated and domiciled in England and Wales under registration number 00980675. The address of its registered office is 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA. The Company is listed on the London Stock Exchange.

These condensed consolidated interim financial statements ("interim financial statements") were approved for issue on 29 September 2021.

These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 January 2021 were approved by the Board of Directors on 11 May 2021 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 of the Companies Act 2006.

The interim financial statements have been reviewed, but not audited, by PricewaterhouseCoopers LLP.

Forward-looking statements

Certain statements in these interim financial statements are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to be correct. As these interim financial statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting policies from the transition.

This condensed consolidated interim financial report for the half-year reporting period ended 31 July 2021 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 July 2021, which has been prepared in accordance with both "international accounting standards in conformity with the requirements of the Companies Act 2006" and "international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union", and any public announcements made by the Company during the interim reporting period.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2021. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Copies of these financial statements can be found either on Companies House or the Air Partner website (www.airpartnergroup.com/investors/reports-results-and-presentations/).

Going concern

The Group's business activities, together with the factors likely to affect its future development, recent acquisition, performance and position, are set out in the Chair's Statement and Chief Executive's Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review. In addition, the Group's objectives, policies and processes for managing its capital risk, details of its financial instruments and hedging activities, and its exposures to interest rate risk, credit risk, liquidity risk and foreign currency risk, are laid out in the section 'Principal Risks and Uncertainties' in the annual report for the year ended 31 January 2021.

COVID-19 has increased uncertainty surrounding the future trading environment for the Group. Whilst performance in the first half of the current financial year has been strong, there remains uncertainty over the trading performance for the next 12 months. Accordingly, the Directors have undertaken a thorough assessment in evaluating Going Concern. This has been assessed by reference to cash forecasts through to January 2023, which reflect a cautious view of trading activity across our divisions, and further prudence has then been applied to reflect a slower recovery in underlying performance from the COVID-19 pandemic. The cautious forecasts used are seen as the lowest outcome of likely outturns and include a number of cash mitigation actions that could be undertaken if necessary.

The Directors have taken the steps necessary to equip the Group to deal with the economic impact of the COVID-19 pandemic. These include reviewing credit terms, cost-cutting measures and utilising government support where appropriate. The Directors believe the steps detailed above and the strong cash position at the end of August 2021 mean the Group is well placed to manage its business and meet its liabilities as they fall due.

Based on current financial projections, the Directors are satisfied to a material level of certainty that the Group has sufficient resources to continue in operation for the foreseeable future, that is, a period of at least 12 months from the date of this report.

Gross transaction value

Gross transaction value (GTV) represents the total value invoiced to customers and is stated exclusive of value added tax. GTV is a non-statutory measure but is more applicable to the Group than revenue as it gives a fairer impression of the scale of the business the Group attracts.

Exceptional and other items

The Directors believe that the underlying profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how underlying business performance is measured internally and management are remunerated. The underlying profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with adjusted profit measures used by other companies. The adjustments made to reported profit before tax are to exclude the following:

- significant one-off restructuring costs
- significant and one-off impairment charges and provisions that distort underlying trading
- costs relating to strategy changes that are not considered normal operating costs of the underlying business
- acquisition costs
- amortisation of intangible assets recognised on acquisition
- acquisition consideration classified as an employee cost under IFRS 3 Business Combinations

The Directors consider exceptional items to be one-off income or expenses that are unlikely to reoccur and are not in part of the usual course of business. Other items are expenses that are incurred as a result of accounting adjustments required on consolidation. These are regular expenses but are not considered to be part of the underlying Group performance.

Key accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Actual results could differ from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or future periods.

In preparing these interim financial statements, 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 statements for the year ended 31 January 2021, with the exception of changes in estimates that are required in determining the provision for income taxes and those specified below:

Acquisition accounting – Redline customer relationships and deferred consideration

The consideration for the acquisition of Redline Worldwide Limited in 2019 included £2.0m of deferred consideration. £1.0m of unconditional deferred consideration was paid on the first anniversary of the acquisition while the remaining £1.0m is conditional based on a number of performance conditions.

Management has undertaken an assessment of the likelihood of the second tranche crystallising and at this junction has decided to release the provision based on the latest forecast outlook for FY22. The balance has been included as a contingent liability (note 12).

2 SEGMENTAL ANALYSIS

The services provided by the Group consist of chartering different types of aircraft and related aviation services. The segmental analysis for the half year ended 31 July 2019 has been included as a more useful comparison due to the exceptional result in the prior period.

The Group has four operating segments: Group Charter, Private Jets and Freight (comprising Charter) and Safety & Security. Overheads, with the exception of Corporate costs, are allocated to the Group's operating segments in relation to operating activities.

Sales transactions between operating segments are carried out on an arm's length basis. All results, assets and liabilities reviewed by the Board (which is the chief operating decision maker) are prepared on a basis consistent with those that are reported in the financial statements.

The Board does not review assets or liabilities at a segmental level, therefore these items are not disclosed.

The segmental information, as provided to the Board on a monthly basis, is as follows:

Half year ended 31 July 2021 (unaudited) Continuing operations	Group Charter £'000	Private Jets £'000	Freight £'000	Safety & Security £'000	Corporate costs £'000	**Total £'000**
Gross transactional value	21,522	43,125	35,650	7,298	-	**107,595**
Revenue	10,929	10,809	4,568	7,298	-	**33,604**
Cost of Sales	(5,918)	(4,895)	(804)	(3,403)	-	**(15,020)**
Segmental gross profit	5,011	5,914	3,764	3,895	-	**18,584**
Administrative expenses and net impairment losses on financial assets	(3,365)	(4,453)	(2,266)	(3,252)	(1,303)	**(14,639)**
Depreciation and amortisation of non-acquired assets (included within cost of sales & administrative expenses)	(425)	(170)	(136)	(79)	-	**(810)**
Operating profit before exceptional and other items	1,646	1,461	1,498	643	(1,303)	**3,945**
Exceptional and other items (see note 4)	-	-	-	(118)	(100)	**(218)**
Segment result	1,646	1,461	1,498	525	(1,403)	**3,727**
Finance income						**1**
Finance expense						**(185)**
Profit before tax						**3,543**
Income tax expense						**(884)**
Profit for the year						**2,659**

Half year ended 31 July 2020 (unaudited) Continuing operations	Group Charter £'000	Private Jets £'000	Freight £'000	Safety & Security £'000	Corporate costs £'000	Total £'000
Gross transactional value	55,389	26,326	94,972	5,898	-	**182,585**
Revenue	14,929	6,316	9,438	5,898	-	**36,581**
Cost of Sales	(2,615)	(1,760)	(826)	(3,635)	-	**(8,836)**
Segmental gross profit	12,314	4,556	8,612	2,263	-	**27,745**
Administrative expenses and net impairment losses on financial assets	(6,184)	(3,895)	(3,446)	(2,152)	(1,269)	**(16,946)**
Depreciation and amortisation of non-acquired assets (included within cost of sales & administrative expenses)	(641)	(141)	(268)	(200)	-	**(1,250)**
Operating profit before exceptional and other items	6,130	661	5,166	111	(1,269)	**10,799**
Exceptional and other items (see note 4)	(86)	(122)	-	(1,445)	15	**(1,638)**
Segment result	6,044	539	5,166	(1,334)	(1,254)	**9,161**
Finance income						**26**
Finance expense						**(291)**
Profit before tax						**8,896**
Income tax expense						**(3,196)**
Profit for the year						**5,700**

Half year ended 31 July 2019 (unaudited) Continuing operations	Group Charter £'000	Private Jets £'000	Freight £'000	Safety & Security £'000	Corporate costs £'000	Total £'000
Gross transactional value	73,025	35,755	10,703	4,660	-	**124,143**
Revenue	12,260	12,814	1,934	4,660	-	**31,668**
Cost of Sales	(5,073)	(6,833)	(70)	(2,526)	-	**(14,502)**
Segmental gross profit	7,187	5,981	1,864	2,134	-	**17,166**
Administrative expenses and net impairment losses on financial assets	(5,154)	(4,257)	(1,435)	(1,850)	(1,207)	**(13,903)**
Depreciation and amortisation of non-acquired assets (included within cost of sales & administrative expenses)	(2,969)	(163)	(51)	(59)	-	**(3,242)**
Operating profit before exceptional and other items	2,033	1,724	429	284	(1,207)	**3,263**
Exceptional and other items (see note 4)	-	-	-	128	(283)	**(155)**
Segment result	2,033	1,724	429	412	(1,490)	**3,108**
Finance income						**33**
Finance expense						**(329)**
Profit before tax						**2,812**
Income tax expense						**(654)**
Profit for the year						**2,158**

Air Partner plc, the Company, is domiciled in the UK but, due to the nature of the Group's operations, a significant amount of gross profit is derived from overseas countries. The Group reviews gross profit based upon location of the assets used to generate that gross profit.

The Board also reviews information on a geographical basis based on parts of the world which are considered to be key to operational activities. As a result, the following additional information is provided showing a geographical split of the United Kingdom, Europe, the United States of America and the Rest of the World:

Continuing operations	United Kingdom £'000	Europe £'000	United States of America £'000	Rest of the World £'000	**Total £'000**
Half year ended 31 July 2021 (unaudited)					
Gross profit	9,623	2,800	5,875	286	**18,584**
Non-current assets (excluding deferred tax assets)	17,354	4,648	189	16	**22,207**
Half year ended 31 July 2020 (unaudited)					
Gross profit	11,172	2,807	12,497	1,269	**27,745**
Non-current assets (excluding deferred tax assets)	20,721	5,633	223	21	**26,598**
Half year ended 31 July 2019 (unaudited)					
Gross profit	8,434	4,911	3,738	83	**17,166**
Non-current assets (excluding deferred tax assets)	12,520	8,707	75	-	**21,302**

Europe can be further analysed as:

Continuing operations	France £'000	Germany £'000	Italy £'000	Other £'000	**Total £'000**
Half year ended 31 July 2021 (unaudited)					
Gross profit	65	2,167	302	266	**2,800**
Half year ended 31 July 2020 (unaudited)					
Gross profit [1]	(16)	2,135	341	347	**2,807**
Half year ended 31 July 2019 (unaudited)					
Gross profit	1,678	1,900	577	756	**4,911**

1 France posted negative gross profit for the prior period due to negligible trading in the period and higher than forecast finalisation costs on prior year tour operations business.

3 Other operating income

Continuing operations	**Half year ended 31 July 2021 (unaudited) £'000**	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Government grants	**695**	-	43

Government grants of £695,000 (H1 2020: £nil) from the Direction Générale des Finances Publiques relating to lost income in France resulting from COVID-19, are included in other operating income. There are no unfulfilled conditions or other contingencies attached to these grants.

4 EXCEPTIONAL AND OTHER ITEMS

Continuing operations	**Half year ended 31 July 2021 (unaudited) £'000**	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Restructuring costs [1]	**-**	(419)	(783)
Amortisation of acquired intangibles	**(1,109)**	(1,233)	(2,420)
Acquisition costs [2]	**(100)**	-	18
Disposal of subsidiary [3]	**-**	23	24
Adjustments to deferred consideration [4]	**991**	(9)	(18)
	(218)	(1,638)	(3,179)
Tax effect of other items [5]	**(23)**	118	331
Exceptional and other items after taxation	**(241)**	(1,520)	(2,848)

1 As a result of the negative impact of the COVID-19 pandemic on certain areas of the business, the Directors undertook a review of the business and identified savings through reductions in headcount where revenue was not forecast to recover for the foreseeable future. Exceptional costs in the prior period are comprised of the amounts paid, or due to be paid at year end, to employees as part of the redundancies, including statutory redundancy, payment in lieu of notice and employer's National Insurance on these amounts and costs associated with the closure of offices.

2 The acquisition costs relate to fees incurred up to the reporting date in relation to the acquisition of Kenyon International Emergency Services Inc, which was completed in August 2021 (see note 13 – Post balance sheet events). The credit in the prior year was in respect of the release of a provision for expected costs related to deferred consideration on the acquisition of Redline Worldwide Limited.

3 The Group disposed of Air Partner (Switzerland) AG during the prior year.

4 The adjustment to deferred consideration in the current and prior year relates to the fair valuing of the deferred consideration relating to Redline Worldwide Limited. The full provision was released in the current period as, based on the current forecast, it is no longer expected to be paid.

5 A tax credit has been included in the current year in respect of the amortisation of purchased intangibles. The tax credit on the purchased intangibles is offset by the change in tax rate used to calculate the deferred tax liability for the relevant assets from 19.0% to 25.0% in line with the government announcement in the Spring Budget 2021 that, from April 2023, corporation tax will be 25.0%.

5 DIVIDENDS

	Half year ended 31 July 2021 (unaudited) £'000	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Amounts recognised as distributions to owners of the parent company			
Final dividend for the year ended 31 January 2021 of 1.60 pence	**1,016**	-	-
Interim dividend for the year ended 31 January 2021 of 0.80 pence	**-**	-	508
	1,016	-	508

6 EARNINGS PER SHARE

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

Earnings per share	**Half year ended 31 July 2021 (unaudited) Pence**	Half year ended 31 July 2020 (unaudited) Pence	Year ended 31 January 2021 (audited) Pence
Continuing operations			
Basic	**4.2**	10.1	9.4
Diluted	**4.1**	10.0	9.3

Earnings per share	**Half year ended 31 July 2021 (unaudited) Pence**	Half year ended 31 July 2020 (unaudited) Pence	Year ended 31 January 2021 (audited) Pence
Excluding exceptional and other items			
Basic	**4.6**	12.8	14.2
Diluted	**4.5**	12.7	14.0

From continuing operations	**Half year ended 31 July 2021 (unaudited) £'000**	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Earnings			
Profit attributable to the owners of the parent company	**2,659**	5,700	5,632
Adjustment to exclude exceptional and other items [1]	**241**	1,520	2,848
Underlying earnings for the calculation of basic and diluted earnings per share	**2,900**	7,220	8,480

1 The calculation of underlying earnings per share (before exceptional and other items) is included as the Directors believe it provides a better understanding of the underlying performance of the Group. Exceptional and other items are disclosed in note 4.

Weighted average number of ordinary shares	**Half year ended 31 July 2021 (unaudited) Number**	Half year ended 31 July 2020 (unaudited) Number	Year ended 31 January 2021 (audited) Number
Issued and fully paid	**63,562,601**	56,649,205	59,970,013
Less those held by the Air Partner Employee Benefit Trust	**(47,502)**	(56,654)	(51,898)
Number for the calculation of basic earnings per share	**63,515,099**	56,592,551	59,918,115
Effect of dilutive potential ordinary shares: share options	**1,368,651**	419,248	697,851
Number for the calculation of dilutive earnings per share	**64,883,750**	57,011,799	60,615,966

7 GOODWILL

	£'000
Cost	
At 1 February 2020	**10,526**
Foreign currency adjustments	**70**
At 31 July 2020	**10,596**
At 1 February 2021	**10,577**
Foreign currency adjustments	**(35)**
At 31 July 2021	**10,542**
Provision for impairment	
At 1 February 2020 and 31 July 2020	**(1,885)**
At 1 February 2021 and 31 July 2021	**(1,885)**
Net book value	
At 31 July 2021	**8,657**
At 31 July 2020	**8,711**
At 31 January 2021	**8,692**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs), or group of units that are expected to benefit from that business combination. After recognition of impairment losses, the carrying amount of goodwill has been allocated as follows:

	31 July 2021 (unaudited) £'000	31 July 2020 (unaudited) £'000	31 January 2021 (audited) £'000
Air Partner International S.A.S.	**952**	1,006	987
Baines Simmons Limited	**1,711**	1,711	1,711
Cabot Aviation Services Limited	**787**	787	787
Clockwork Research Limited	**396**	396	396
Redline Worldwide Limited	**3,644**	3,644	3,644
SafeSkys Limited	**1,167**	1,167	1,167
	8,657	8,711	8,692

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Impairment calculations were undertaken for all holdings for the period end and no impairment was identified in respect of any of the CGUs. The Directors do not believe that there are any reasonable possible changes to the key assumptions that would result in a material impairment of goodwill during the period, with the exception of SafeSkys Limited, which was impaired in a previous financial period. There are no material differences to the assumptions used in the calculation for the year ended 31 January 2021 and the current period end.

Details of the impairment assessment of SafeSkys Limited in the previous financial year can be seen in the annual report for the year ended 31 January 2021.

8 NET CASH INFLOW FROM OPERATING ACTIVITIES

	Half year ended 31 July 2021 (unaudited) £'000	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Profit for the period	**2,659**	5,700	5,632
Adjustments for:			
Finance income	**(1)**	(26)	(29)
Finance expense	**185**	300	522
Income tax expense	**884**	3,196	2,747
Depreciation, amortisation and (profit) / loss on disposal	**1,918**	2,440	4,888
Impairments	**-**	-	81
Fair value (gains) / losses on derivative financial instruments	**20**	(34)	(39)
Share option cost for period	**357**	352	451
Decrease in provisions / deferred consideration	**(991)**	(88)	42
Foreign exchange differences	**295**	(1,150)	(1,388)
Operating cash inflows before movements in working capital	**5,326**	10,690	12,907
Decrease / (increase) in receivables	**(6,554)**	9,638	9,945
Increase / (decrease) in payables	**6,242**	(22)	(3,436)
Cash generated from operations	**5,014**	20,306	19,416

9 INCOME TAX EXPENSE

	Half year ended 31 July 2021 (unaudited) £'000	Half year ended 31 July 2020 (unaudited) £'000	Year ended 31 January 2021 (audited) £'000
Current tax:			
UK corporation tax	**407**	648	778
Foreign tax	**535**	2,706	2,580
Current tax adjustments in respect of prior years (UK)	**-**	(40)	(108)
Current tax adjustments in respect of prior years (overseas)	**(57)**	286	235
	885	3,600	3,485
Deferred tax	**(1)**	(404)	(738)
Total tax	**884**	3,196	2,747
Of which:			
Tax on underlying profit	**861**	3,314	3,078
Tax on other items (see note 4)	**23**	(118)	(331)
	884	3,196	2,747

The underlying effective tax rate for the period was 22.9% (H1 2020: 31.5%). The lower effective tax rate is lower due to the reduced concentration of profits in high tax jurisdictions. The solidarity funding of £695,000 in France is tax free. The effective tax rate without this income would have been 28.1%.

In the Spring Budget 2021, the UK government announced that from 1 April 2023 the corporation tax rate will increase to 25.0%. The Group recognised a deferred tax charge of £224,000 due to the change in rates. This all related to the balances held in relation to intangibles acquired on acquisition and therefore is included within exceptional items.

10 RELATED PARTY TRANSACTIONS

There were no material related party transactions requiring disclosure for the periods ended 31 July 2021 and 31 July 2020.

11 FINANCIAL INSTRUMENTS

Fair value estimation

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table. The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value:

31 July 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Forward exchange contracts	-	-	-	**-**
Total assets	-	-	-	**-**
Liabilities				
Forward exchange contracts	(20)	-	-	**(20)**
Total liabilities	(20)	-	-	**(20)**

31 July 2020 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Forward exchange contracts	-	-	-	**-**
Total assets	-	-	-	**-**
Liabilities				
Forward exchange contracts	(5)	-	-	**(5)**
Total liabilities	(5)	-	-	**(5)**

The forward exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted marked price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques 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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Group's valuation process

Derivatives financial instruments are valued using NatWest mid-market rates at the statement of financial position date. The Group's finance department performs the valuation of forward exchange contracts required for financial reporting purposes.

The results of the valuation processes are included in the Group's monthly reporting to the Directors, which includes all members of the Audit Committee.

Fair value of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short term in nature. The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Lease liabilities
- Borrowings

Net impairment losses on financial assets

Net impairment losses on financial assets in the period were £17,000 (H1 2020: £982,000). The losses in the current year are comprised of the following:

	£'000
Previously provided for balance partially recovered	**(21)**
Specific trade receivable balances written off	**13**
Additional credit loss provision	**25**
At 31 July 2021	**17**

The Directors have included the additional credit loss provision, considering the ongoing economic uncertainty resulting from COVID-19 in the aviation industry and increasing debtor balance as credit terms are reintroduced.

12 Contingent liability

The consideration for the acquisition of Redline Worldwide Limited in 2019 included £2.0m of deferred consideration. £1.0m of unconditional deferred consideration was paid on the first anniversary of the acquisition while the remaining £1.0m is conditional based on a number of performance conditions.

Management has undertaken an assessment of the likelihood of the second tranche crystallising and at this junction has released the provision based on the latest forecast outlook for FY22. The range of outcomes is dependent on the performance of Redline during the remainder of FY22, with the maximum possible liability being £1.0m.

13 Post balance sheet events

On 26 August 2021, Air Partner plc acquired 100% of the issued share capital of Kenyon International Emergency Services Inc ("Kenyon"), obtaining control of the company and its subsidiary (Kenyon International Emergency Services Limited) on that date.

The headline price was $11.7m (£8.5m), on a debt free, cash free basis, with an initial consideration of $10.3m (£7.4m) of cash payable on completion and additional consideration of $1.4m (£1.0m) payable after 12 months. The Group has financed the purchase by drawing down £5.0m from its revolving credit facility and through available cash.

Kenyon is a world leading emergency planning and incident response company. Established as Kenyon Emergency Services in 1906, Kenyon has built a world-class reputation over the last 115 years as a leading provider of specialised support to the private and public sectors during and post emergency incidents. The company has responded to more than 350 incidents worldwide, working for and with local and national governments, regulatory bodies, emergency services, blue-chip corporates and other parties. Incidents have been varied in nature and have included human error, humanitarian relief, acts of terrorism, pandemics and climate-related extreme events.

Kenyon's business model is underpinned by membership revenue, providing a visible and recurring revenue stream, with additional revenues generated from incident response, consulting projects and training programmes. In the year ended 31 December 2020, Kenyon International Emergency Services Inc reported revenues of $16.3 million, including incident revenues of $12.1 million (over the last 10 years, incident revenues for a single year have ranged from $0 million to $12.0 million, and over the last five years have averaged $7.5 million), delivering pre-tax profits of $1.5 million, EBITDA of $2.5 million and gross assets of $8.0 million.

The acquisition affords Air Partner greater reach across a wide range of customers from various industries and governments, by leveraging Kenyon's longstanding and respected brand. There are also opportunities to grow the core Kenyon business and increase Group activity through cross-selling with other business areas.

A provision of £100,000 for acquisition fees incurred up to the balance sheet date has been included in the interim financial statement. A full assessment of the acquisition balance sheet, intangibles recognised on acquisition and goodwill will be included in the annual report for the year ending 31 January 2022.

Independent review report to Air Partner plc
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Air Partner plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-year results of Air Partner plc for the 6 month period ended 31 July 2021 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with 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.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 31 July 2021;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of cash flows for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-year results of Air Partner plc have been prepared in accordance with 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.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-year results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-year results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-year results based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. 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.

We have read the other information contained in the half-year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
28 September 2021