16 April 2024

Equals Group PLC
('Equals' or the 'Group')

Final Results

"Fast growing, expanding internationally, increased profitability, dividend paying"

Equals (AIM:EQLS), the fast-growing payments group focused on the SME marketplace, announces its final results for the year ended 31 December 2023 (the 'year' or 'FY-2023') and an update on trading for the period from 1 January 2024 to 12 April 2024.

FY-2023: Financial Summary

	FY-2023 £ millions	**FY-2022** £ millions	**Change[1]**
Underlying transaction values			
- FX	5,866	5,470	+ 7%
- Banking	2,178	1,741	+ 25%
- Solutions Platform	4,368	2,005	+ 118%
- Total	**12,412**	9,216	+ 35%
Revenue	**95.7**	69.7	+ 37%
% of revenue from B2B[2]	**82%**	76%	
Adjusted EBITDA[3]	**20.6**	12.1	+ 70%
EBITDA	**17.1**	11.0	+ 56%
Profit after taxation	**7.7**	3.6	+ 118%
EPS:			
Basic	**4.22p**	1.80p	+ 134%
Diluted	**4.00p**	1.73p	+ 131%
Adjusted[4] Basic	**7.16p**	3.15p	+ 127%
Adjusted[4] Diluted	**6.79p**	3.03p	+ 124%
Memo:			
Capitalised staff costs	**5.7**	4.2	
Separately reported items (below Adjusted EBITDA)	**2.1**	0.2	
Cash per share (at balance sheet date)	**10.2p**	8.3p	

FY-2023 Financial Highlights

- 35% increase in transaction flow to £12.4 billion (FY-2022: £9.2 billion)
- 37% increase in revenue to £95.7 million (FY-2022: £69.7 million)
- 70% increase in Adjusted EBITDA3 to £20.6 million (FY-2022: £12.1 million)
- Completion of three strategically enhancing acquisitions in the year at a cash cost of £6.0 million
- Payment in December of £0.9 million maiden interim dividend (0.5 pence per share)
- Robust Balance sheet with £18.7 million cash at bank at 31 December 2023
- Final dividend proposed of 1.0 pence per share bringing the total dividends paid and proposed of 1.5 pence (FY-2022: Nil)

H1 FY-2024 Trading update

- Revenue in H1-2024 up to 12 April 2024 reached £31.9 million, up from £24.5 million in the same period in 2023, an increase of 30%
- The revenue from Solutions in the same period was £13.2 million, up 74% on the same period in 2023 of £7.6 million
- Revenues per working day up to 12 April 2024 were £443k, an increase of 27% over £350k per day in Q1-2023 and 5% higher than £422k per day achieved in Q4-2023
- Cash balances of £21.6 million as at 12 April 2024

Commenting on the Final Results, Ian Strafford-Taylor, CEO of Equals Group PLC, said: "We continued to grow strongly in 2023, achieving record levels of revenue, Adjusted EBITDA, and operational cash generation. This allowed us to continue to invest in the business and declare a maiden dividend. We also expanded internationally, broadened our product offering and hired greater talent to take the Group forward. I am immensely proud of the workforce that allowed us to reach these levels of performance, and I want to thank them all for their efforts in achieving these results."

FY-2023 Annual Report

An electronic copy of the Annual Report and Financial Statements for the year ended 31 December 2023 will be posted on the Group's website (www.equalsplc.com) along with a copy of the FY-2023 Results presentation at midday today. Printed versions of the FY-2023 Annual Report and Financial Statements will be posted to shareholders this month along with a Notice of Annual General Meeting.

Notes

[1] *Based on underlying, not rounded, figures.*

[2] *Transactions with business customers are reported as 'B2B' and transactions with retail customers are reported as 'B2C'.*

[3] *Adjusted EBITDA is defined as: earnings before; depreciation, amortisation, impairment charges, share option charges, foreign exchange differences and separately reported items. Separately reported items are of a material nature, non-recurring items.*

[4] *The measure of profit for this ratio has been adjusted to form Adjusted EPS. The add-back adjustments consist of share option charges, amortisation of acquired intangibles, exceptional items, acquisition costs and tax impacts on these items thereon.*

The financial statements were approved for release at 07:00 hours on 16 April 2024 to the London Stock Exchange via RNS after being approved by the Board after stock market hours on 15 April 2024.

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Notes to Editors:

Equals Group is a technology-led international payments group augmented by highly personalised service for the payment needs of SME's whether these be FX, card payments or via Faster Payments. Founded in 2007, the Group listed on AIM in 2014. For more information, please visit www.equalsplc.com.

Chief Executive Officer's Report

The vision for the Group continues to be the simplification of global money movement for business customers. Equals achieves this through its B2B platforms, Equals Money being targeted at SME customers and Equals Solutions which targets larger corporate opportunities. The Group's growth potential is particularly strong given that the core building blocks of its platforms, namely own-name multi-currency IBANs and bank-grade connectivity and clearance, are highly complex and time consuming to replicate. This 'first mover' advantage was achieved by the investments made in previous years and will be continuously enhanced by the developments planned in the Group's technical roadmap combined with further investments into direct connectivity to payment networks.

Against this vision, the Board's objective for FY-2023 was to leverage the investments made into product, engineering, and connectivity to deliver a unified platform offering to its B2B customers that could deliver further growth to the Group as a whole.

Equals achieved these objectives with the roll-out of the Equals Money platform to the SME customer base and Equals Solutions platform to larger corporates. In addition, during FY-2023 the Group added the capability for customers to consume our services via API integrations which considerably increased our 'Total Addressable Market' ('TAM'). Accordingly, Equals can now distribute its services directly to customers via its brands, integrate via API, or white-label its platform so Equals customers can sell directly to their own customers ('B2B2X').

The advances the Group made in its offering, combined with improved Sales and Marketing capabilities, meant the Group significantly surpassed our expectations in the year, delivering the following strong headline financial performance:

- Transactions executed on the Group's platforms increased by 35% to £12.4 billion (FY-2022: £9.2 billion)
- Revenue increased by 37% to £95.7 million (FY-2022: £69.7 million)
- Adjusted EBITDA increased by 70% to £20.6 million (FY-2022: £12.1 million)

A detailed financial analysis is presented in the Report of the Chief Financial Officer which follows this statement.

Summary of FY-2023 performance

The financial results demonstrate the success of our strategy of investment into creating a robust, scalable platform comprising international and domestic payments, card payments and current-account services underpinned by exceptional technology and direct connections to multiple payment networks.

In addition to investments in creating the platform, the Group has continued its strategy of focusing on distribution to the B2B customer segment and augmented our capabilities in Sales and Marketing.

The combination of product advancements and improved distribution capabilities produced strong financial performance in 2023 and this strategy and delivery has continued into 2024.

Growth combined with operational gearing

Processed transaction volumes grew 35% to £12.4 billion (FY-2022: £9.2 billion), with increases across all payment channels, and reflects the scalability of the platform that has been built, and the operational processes that support it.

In keeping with the prior year, revenues grew faster than transaction volumes, posting a 37% increase to £95.7 million (FY-2022: £69.7 million), which demonstrates the success of focusing on higher-margin business lines.

The Group's focus on distribution to B2B customers is reflected in the breakdown of revenues of which 82% were derived from B2B customers, up from 76% in FY-2022. Similarly, our success in attracting larger corporate customers, especially via the Equals Solutions platform, is reflected in 33% of revenues being derived from this category, compared to 23% in FY-2022.

Analysing growth trends further, in keeping with FY-2022, the core products within Equals Money all grew and were augmented by a very strong uptake of Equals Solutions. This translated to International Payments (including White Labelled FX services) growing 14% to £39.4 million (FY-2022: £34.4 million). This compares favourably to the results of many peers as macro-economic headwinds dampened demand, particularly from B2C customers. Card-based revenues grew 22% to £15.2 million (FY-2022: £12.5 million) despite the film production vertical being affected by strikes in Hollywood. Equals Solutions revenues grew by 99% to £31.0 million (FY-2022: £15.6 million) which reflects the strong demand for the platform and the success of our sales and marketing efforts in this market.

The increase in transaction volumes and revenues resulted in even stronger profit growth, with Adjusted EBITDA up 70% to £20.6 million (FY-2022: £12.1 million) which clearly demonstrated continued operational gearing.

The Group's operations remain strongly cash generative which gives Equals the flexibility to perform opportunistic M&A activity as illustrated by the acquisition of Oonex S.A., which was completed on 4 July 2023. Oonex, now renamed Equals Money Europe ('EMEU'), is a payment institution based in Brussels and regulated by the National Bank of Belgium. The acquisition of Oonex, together with its regulatory licences and banking relationships, allows Equals to bring its payments, cards, and multi-currency account products to a new suite of customers across Europe, thereby further increasing the Group's TAM.

Growth with control

The Group remains committed to growing revenues and profits as rapidly as possible by increasing the volumes of transactions processed via its platform whilst concurrently minimising risk and retaining operational control. Accordingly, investment into finance, operations, compliance, and risk functions remains a key focus as Equals continues to grow.

The nature of the payments industry means that all companies that operate within it will incur some operational risk, especially in terms of so-called 'daylight exposure' in the times between transactions being agreed and being settled. The Group seeks to minimise and mitigate these risks wherever possible. Therefore, all foreign exchange transactions with customers are automatically matched with a liquidity provider and funds are never released until inbound funds have been received. Additionally, although the Group does offer forward contracts to its customers, its deposit and mark-to-market policies ensure that Equals runs an immaterial risk in this area.

Regulators and banks across the globe are increasingly focused on anti-money laundering ('AML') and compliance standards. Equals welcomes the higher levels of supervision and auditing in this area as we view our compliance controls and governance to be a competitive advantage. Equals instils a Group-wide compliance culture facilitated by regular, compulsory, training for all employees. The Group has continued its investment in this area with increased headcount and expertise being added across onboarding, enhanced due-diligence, transaction monitoring, risk, compliance and regulatory teams. In addition, the Group has invested in compliance technology by deploying improved internal tooling combined with outsourced platforms to automate tasks where possible. Furthermore, given our growth in transaction volumes, in FY-2022 the Group invested into a machine-learning transaction monitoring system, called Featurespace, which we successfully rolled out in FY-2023.

The philosophy of 'growth with control' is also prevalent in our product and engineering functions. All customer-facing product developments are built with the involvement of all areas of the business to ensure Equals creates end-to-end applications that support internal operational efficiency as well as superior customer user experience ('UX'). Equally, the Group listens to our customers when we design and build new products and all applications pass through rigorous quality assurance and live testing before wider roll-out. In addition to customer-facing developments, our technical roadmaps include many workstreams that improve internal efficiency and control, not just outward facing product rollouts. Concurrently, the Group will utilise external tooling and software where appropriate, for instance in CRM, transaction monitoring & KYC checks, so we can concentrate our resources on developing software that enhances our products and competitive advantage.

The Group has also implemented strong governance over all aspects of our Engineering and IT processes. A monthly Security Council, with membership including Board members and all key departments, is required to sign off all changes including new products, product changes, new software usage and vendor approval. The Security Council also conducts a review of any security incidents at each meeting and authorises any changes required. The robustness of our governance allowed the Group to announce, on 4 December 2023, that it had been awarded ISO/IEC 27001 status, the leading international standard focused on Information Security Management. This independent accreditation testifies to the strength of the technology platform that has been built as well as the processes and controls that we operate.

The engineering, product and design teams continued to produce significant improvements in our products and functionality in FY-2023 at a very high cadence. Highlights included:

- **Payments Sending Service (PSS)** – this capability allows automation of our ‘payments out’ rails, utilising SWIFT, and thereby direct integrations to our major Banking partners
- **Completion of Equals Money core functionality** – Equals Money now has the complete range of functionality required to sunset legacy platforms and enable all our products to operate on one unified technology stack
- **Equals Money API** – full functionality of Equals Money now available to customers over API, including a technical team dedicated to customer onboarding and full sandbox
- **FairFX re-platformed** – FairFX B2C cards now operate as a pure “white label” of Equals money, utilising the API suite described above
- **White-Label of Equals Money** – Similar to FairFX, The Equals Money API suite was utilised to enable the first commercial white-label of Equals Money
- **Equals Money Europe** – integration work completed on time to bring EMEU into operational status with local IBAN capability by the end of 2023; and
- **Roqqett integration** – the GBP open-banking capabilities of Roqqett were enhanced and made more robust before integration into the FairFX checkout journey.

The developments above all fit within the Group’s strategy of increasing its total addressable markets by product and functionality innovation combined with widening the geographic markets the Group can access.

Sustained investment in people

The success of the Group is attributable to its excellent employees who consistently demonstrate all of the core values of Equals, namely: -

- **Make it happen** – own the outcome individually
- **Succeed together** – communicate and encourage each other to deliver
- **Be the customer** – constantly seek to improve customer experience
- **Go beyond** – push ourselves to excel, individually and collectively.

The Group has a bi-annual appraisal process, which also drives salary reviews and incentive plans. The Group is proud to have a diverse workforce and it strives to train and promote from within as well as seek fresh talent from elsewhere.

Equals continues to invest in its employees and consistently looks to implement measures to enhance the work environment for employees. The Group utilises benchmarking to ensure it provides a strong benefits programme and it continues to support a hybrid working policy. The health and wellbeing of employees is taken very seriously, and the Group has implemented many programmes to support this.

Overall, investment in People has resulted in the Group having a low level of staff turnover amongst key employees. Implementation of a Company-wide share incentive plan (‘SIP’) combined with a long-term incentive plan (‘LTIP’) for management, continue to be strong retention tools in what continues to be a difficult labour market in terms of attracting talent.

Average headcount increased to 341 in FY-2023, up from 268 in FY-2022. The growth in headcount reflects the Group putting in place the resources needed for our next phase of growth in 2024 and beyond, given the greater

TAM and distribution channels we can now access. The additional recruitment has been in either direct revenue production areas or in revenue enablement areas.

Revenue production teams include sales, marketing, sales operations and dealing. Revenue enablement encompasses onboarding, compliance, API integration as well as broader operations capacity.

In addition, headcount increased by the expansion via acquisition into Europe via EMEU, completed in July 2023, which will contribute to revenues more strongly in 2024.

We expect headcount to remain broadly stable at current levels in 2024. Accordingly, although revenue per head increased to £281k from £260k in the prior year, we would expect a further increase in 2024 given the investments we have made and the increased Target Addressable Market.

Equals position in the payments space

Global payments is a multi-trillion dollar market that remains a complex and constantly evolving space. Whilst technology has seen radical changes in many industries, payments had not evolved at the same pace until relatively recently with legacy payment mechanisms of cash, cheques, account-to-account transfers and more latterly cards dominating the landscape. Furthermore, the settlement rails that supported these payment methodologies were frequently decades old. The problems that this created were even more acute when making international, or cross-border, payments as settlement rails in one country frequently did not interface with those in another.

The 21st century has seen more investment into payments and more disruptive technology being applied which has changed the long-standing status quo and introduced new participants into the space, known as 'fintech' businesses. The advent of crypto currencies, and concurrently blockchain, has further accelerated the rate of change such that payments in general is now evolving at a rapid pace.

This is the backdrop to the Group's sustained investment over several years to carve out a specific niche for Equals, focused on the B2B customer space. The Group has developed a unique proposition that provides its customers with both account-to-account transfers and card payments in one multi-currency platform built on infrastructure giving bank-grade connectivity and security on superior customer interfaces. Equals customers can consume this platform directly via the secure login, on a white-label basis, or via an API technical interface. The flexibility the Group can support and the channels by which this can be consumed by customers is a key differentiator. Within Equals B2B focus, the Group targets two major segments, SMEs, via Equals Money, and larger corporates, via Equals Solutions. Both offer a single platform comprising own-name, multi-currency IBAN current accounts, account-to-account transfers, and card products for both domestic and international transactions.

Competition and differentiation

The Group's competitors fall into two major categories, the incumbent banks and the fintech 'disruptors'. Despite the recent growth of fintech companies, the majority of payment volumes still flow through the incumbent banks, in some part due to customer inertia and the difficulty of switching providers. For Equals, the key is to target the customer base of the incumbent banks whilst concurrently making it easy for those customers to consume the products and services of the Group. These twin challenges have been the driving factors behind the Group's product development and also its efforts to make onboarding of new customers as rapid and seamless as possible for the customer.

In contrast to the incumbent banks, fintech competitors tend to focus on one silo of what Equals provides as an overall platform (e.g. current accounts, cards, or international payments) and are often B2C focused. In addition, they typically operate 'self-serve' platforms. This is in contrast to Equals as it provides leading technology allied with human assistance in supporting customers to navigate the complexities of payments via dedicated account management teams.

The Group therefore differentiates itself by harnessing the best of these two competitor groups, namely the trust, security and heritage of the incumbent banks combined with the technological innovation of the fintech community. Accordingly, Equals will continue to invest in its platform, connectivity, and payment rails to remain one step ahead and its success to date in doing so is reflected in the Group's FY-2023 results.

M&A opportunities

The Group continues to assess M&A opportunities in three main areas, which are not mutually exclusive. Firstly, to acquire profitable businesses that can easily be added to the platform and provide scale. Secondly, to acquire value-added functionality complementary to our offering. Lastly, to expand our portfolio of regulatory licences and access to overseas markets. FY-2023 saw Equals execute deals in all three categories and we continue to be alert for further opportunities.

ESG

Equals wholeheartedly embraces ESG initiatives and takes Equality, Diversity, and Inclusivity ('EDI') extremely seriously. Our EDI strategy, which covers not only employees but also customers, includes an internal EDI network populated with elected representatives and regular employee surveys. This is a key objective for all Executive Committee members and forms part of their appraisals.

H1-2024 Trading

FY-2024 has started strongly with revenue in H1-2024 up to 12 April 2024 reaching £31.9 million, up from £24.5 million in the same period in FY-2023, an increase of 30%. The revenue from Solutions in the same period was £13.2 million, up 74% on the same period in 2023 of £7.6 million. Revenues per working day up to 12 April 2024 were £443k, an increase of 27% over £350k per day in the same period in H1-2023 and 5% higher than £422k per day achieved in Q4-2023.

Strong B2B revenue growth continues with all product lines progressing well. Equals Solutions, which contributed £31.0 million of revenues in FY-2023, is expected to continue to grow strongly as the Group adds new functionality to its payments platform during the year and widens its TAM.

In keeping with the strategy pursued in FY-2023, our product and development roadmap for the rest of FY-2024 reflects our continued investment into our platform capabilities. Key deliverables are: -

- Automated bulk payments capability, including over API integration,
- Full straight-through-processing (STP),
- Further enhancement of Equals Money Europe capabilities,
- In-house integration with SWIFT,
- Improve complete onboarding UX and processes to improve speed,
- Support white-label scale up,
- Sunset remaining legacy platforms and minimise technical debt.

The outlook for the business, as a result of our sustained and continuing investments combined with our excellent people, remains strong. In addition, the Group's addressable market is now significantly greater with our expansion into Europe and increased distribution channels. Equals has created a payments platform comprising international and domestic payments, card payments and current account services underpinned by exceptional technology and direct connections to multiple payment networks.

Ian Strafford-Taylor
Chief Executive Officer
15 April 2024

Chief Financial Officer's Report

The FY-2023 results have been impacted by a number of significant events:

(a) The Company's decision to restructure its reserves thus leading to an interim dividend of 0.5 pence per share paid on 7 December 2023 and the recommendation of a final dividend of 1 pence per share, giving a total dividend paid and proposed of 1.5 pence for 2023.

(b) The launch of a Strategic Review, announced on 1 November 2023, aimed at evaluating whether greater value could be obtained through a sale of the Company in light of the lacklustre performance of the UK equities market as a whole.

(c) The disposal of the travel cash business and the completion of three acquisitions:

(i) Roqqett Ltd (open banking platform);
(ii) Hamer and Hamer Ltd; and
(iii) Oonex S.A. (renamed Equals Money Europe S.A.).

More details on these events are reported below.

In summary, the FY-2023 results have been positively impacted by the success of the Equals Solutions product: Group Revenue was up 37%; Gross Profits up 55%, Adjusted EBITDA up 70%, and Adjusted EPS up 127%.

I present my review and financial analysis for the year ended 31 December 2023.

TABLE 1: INCOME AND EXPENSE ACCOUNT

	FY-2023 £ millions	FY-2022 £ millions
Revenue (table 3, 4)	**95.7**	69.7
Gross Profits (table 5)	**52.3**	33.7
Less: Marketing	**(2.6)**	(1.9)
Contribution	**49.8**	31.8
Staff costs	**(20.3)**	(14.4)
Property and office cost	**(1.2)**	(0.9)
IT and telephone costs	**(3.2)**	(2.0)
Professional Fees	**(2.2)**	(1.2)
Compliance costs	**(1.5)**	(0.7)
Travel and other expenses	**(0.7)**	(0.5)
Adjusted EBITDA	**20.6**	12.1
Less: Share option expense	**(1.4)**	(0.9)
Less: Acquisition costs (table 6)	**(1.4)**	(0.2)
Less: Exceptional items	**(0.7)**	-
EBITDA	**17.1**	11.0
IFRS 16 Depreciation (table 7)	**(0.7)**	(0.8)
Other depreciation (table 7)	**(0.5)**	(0.4)
Amortisation of acquired intangibles (table 8)	**(1.7)**	(1.3)
Other amortisation (table 8)	**(5.4)**	(4.4)
Contingent consideration credit / (cost)	**0.5**	(0.3)
	(7.8)	(7.2)
Gain on Disposal of Cash CGU	**0.4**	-
EBIT	**9.7**	3.8
Lease interest	**(0.2)**	(0.2)
Foreign exchange differences	**(0.3)**	(0.1)
Contingent consideration finance charges	**(0.1)**	(0.1)

	(0.6)	(0.4)
PROFIT BEFORE TAXATION	**9.1**	3.4
Corporate and deferred taxation	**(1.4)**	0.2
PROFIT FOR THE YEAR	**7.7**	3.6

When the changes are presented as a bridge, the standout facts are the increase in revenue leading to increased contribution (gross profits less marketing costs), offset by higher labour costs, both through planned increases in staff resources and responding to labour market pressures. Other cost increases were also a mix of inflation pressures, but also decisions taken to upskill and upscale resources for a rapidly growing business.

TABLE 2 – ADJUSTED EBITDA BRIDGE FROM FY-2022 TO FY-2023 (in £'000s)

FY-2022 Adjusted EBITDA		**12,120**
Add:	56% uplift in contribution FY-2023	17,964
Less:	41% increase in staff costs, reflecting a higher planned headcount, particularly in compliance due to regulatory pressures.	(5,898)
	60% increase in IT and communications, taking into account increased web hosting charges and development tools in line with transaction growth.	(1,206)
	96% increase in professional and compliance costs, much of which is attributable to increased professional and compliance including regulatory fees in line with geographical expansion.	(1,836)
	24% increase in property through geographical expansion	(228)
	Increase in other costs including travel and entertaining costs incurred through ambassadorial initiatives and industry awareness events.	(279)
FY-2023 Adjusted EBITDA		**20,637**
Uplift over FY-2022		8,514
% uplift over FY-2022		70%

Revenue

All product lines and all verticals saw significant increases in revenue in the year. The Group has concentrated on the corporate sector and has seen strong growth in International Payments, White-Label and Solutions business and modest growth in consumer and small businesses.

H1-2023 saw an increase of £13.6 million in revenue over H1-2022, and £6.7 million over H2-2022. The growth continued in the second half, with H2-2023 adding a further £12.4 million in revenue against the same period in H2-2022 and £5.7 million over H1-2023. Overall revenue in FY-2023 was 37% ahead of FY-2022.

The table below shows the revenue by both CGU and customer types. The Europe revenue segment is the acquisition of the European entity Equals Money Europe in H2–2023, which represents £1.7 million of the Group's total revenue of £95.7 million for FY-2023.

TABLE 3 - REVENUE BY CUSTOMER TYPE

Revenue in £ millions	Consumer and small business ("B2C")	Corporates	Large enterprises	Sub-total	White-label	**TOTAL FY-2023**	TOTAL FY-2022	% change
International Payments	3.8	18.9	-	22.7	16.7	39.4	34.4	14%
Cards	5.0	10.2	-	15.2	-	15.2	12.5	22%
Banking	8.3	-	-	8.3	-	8.3	6.1	36%
Solutions	-	-	31.0	31.0	-	31.0	15.7	97%
Travel cash	0.1	-	-	0.1	-	0.1	1.0	-86%
Europe	-	0.9	0.8	1.7	-	1.7	-	-
Total, FY-2023	**17.2**	**30.0**	**31.8**	**79.0**	**16.7**	**95.7**	69.7	37%
Total, FY-2022	16.6	22.4	15.7	54.7	15.0	69.7		
% Change*								
FY-2023 to FY-2022	+3%	+34%	>103%	+45%	+11%	**+37%**	**+37%**	

**based on underlying figures*

Further analysis we disclose below, revenue per half-year period.

TABLE 4- REVENUE BY HALF-YEAR

Revenue in £ millions	Solutions	White-Label	Other International Payments	Cards (Retail and Corporate)	Banking	Bureau	Europe	**TOTAL**	Revenue per day in £'000s
H1-2022	6.2	7.2	9.1	5.6	2.8	0.5	-	31.4	255.1
H2-2022	9.5	7.8	10.3	6.9	3.3	0.5	-	38.3	301.4
FY-2022	**15.7**	**15.0**	**19.4**	**12.5**	**6.1**	**1.0**	**-**	**69.7**	**278.7**
% of total	**22%**	**22%**	**28%**	**18%**	**9%**	**1%**	**-**	**100%**	
H1-2023	13.6	8.9	11.0	7.4	4.0	0.1	-	45.0	362.9
H2-2023	17.4	7.8	11.7	7.8	4.3	-	1.7	50.7	397.6
FY-2023	**31.0**	**16.7**	**22.7**	**15.2**	**8.3**	**0.1**	**1.7**	**95.7**	**380.5**
% of total	**32%**	**17%**	**24%**	**16%**	**9%**	**0%**	**2%**	**100%**	
2023 vs 2022	99%	11%	16%	22%	37%	- 86%		**37%**	36.4%

Gross profits

Gross profits have improved both monetarily and in percentage terms. The aggregate gross profits have steadily increased through tight management of pay-aways and the changing mix of business. Gross profit percentage has increased from 47% in H1-2022 to 49% in H2-2022, to 52% in H1-2023 and to 57% in H2-2023. This ratio is expected to remain at this level.

White-label GP percentages have increased materially as the division becomes less reliant on some underlying B2C trading.

The key components of cost of sales have not changed, being a mix of affiliate (or introducer) commissions, transaction costs, and sales-related staff commissions (which include employers National Insurance Contributions) to the trading and sales teams:

TABLE 5 - GROSS PROFIT MARGIN BY HALF-YEAR

	Solutions	White-Label	Other International Payments	Cards (retail and corporate)	Banking	Bureau	Europe	**TOTAL**
H1-2022	46%	12%	59%	61%	76%	48%	-	47%
H2-2022	50%	14%	56%	65%	78%	42%	-	49%
FY-2022	**48%**	**13%**	**57%**	**63%**	**77%**	**45%**	**-**	**48%**
H1-2023	54%	19%	59%	64%	84%	31%	-	52%
H2-2023	60%	21%	60%	65%	84%	87%	56%	57%
FY-2023	**57%**	**20%**	**60%**	**64%**	**84%**	**36%**	**56%**	**55%**

Marketing, branding and contribution

The Group has actively managed its marketing expenditure more closely having carried out a thorough review and a constant assessment of 'Return on Spend'. Expenditure has been incurred on digital marketing, marketing and hospitality events and exhibitions. Marketing, as a percentage of Revenue has remained static at around 2.7%.

Staff costs

Staff costs (gross of capitalisation and exceptional items) were £25.9 million in FY-2023 against £18.6 million in FY-2022. This increase was attributable to:

- Organic headcount increases (headcount numbers have moved from 285 as at 31 December 2022 to 367 as at 31 December 2023 and 400 at 31 March 2024). Recruitment costs were £969k in 2023 against £557k in 2022. 2023 saw the recruitment of 90 new employees in the UK.

- Acquisitions added a further 30 to the Group's headcount offset by five leavers following the sale of the FX bureau in March 2023.

- Wage pressures, where the aggregate increases were around 7.2%.

The composition of headcount is approximately: Commercial, 20%; Operations (including compliance), 38%; Engineering, 16%; Product and Design, 5%; Europe (all functions), 6%: Finance and HR, 8%; Other, 7%.

Professional fees and Compliance costs

Owing to an increasing cross-industry compliance burden, the Group has chosen to report compliance and similar costs separate to other professional fees. Such costs, including onboarding systems, have risen due to a combination of greater business activity and the Group's desire to fast-track business applications proactive with regulation.

Professional fees have risen in line with trends widely reported in the national press, most notably the provision for the cost of the audit noting increased acquisition activity and implementation of enhanced systems.

Exceptional items

There were two significant corporate projects undertaken in FY-2023 which led to exceptional costs of £0.7 million being incurred: the restructuring of reserves to enable the payment of dividends, and the decision to launch a strategic review in order to explore ways of enhancing shareholder value. The former, which required Court consent, was successfully concluded in Q4-2023 leading to the payment of 0.5 pence per share dividend. The latter is a process which is continuing at the time of this announcement.

Capital Reduction and Maiden Interim Dividend Payment

With Court approval, on 1 November 2023, the Group carried out a Capital Reduction moving £25 million to Distributable Reserves from the Share Premium account. Following the reduction, the Group declared and issued a maiden interim dividend of 0.5 pence per share to the shareholders of Equals Group PLC and the Trust. The total number of shares eligible for the dividend was 185,731,589 with a total cash payment of £928k paid on 7 December 2023.

Acquisition and disposals

In FY-2023, the Group incurred costs of £1.5 million (of which £1.4 million was taken to the income statement) in relation to the completion of the three acquisitions and one disposal.

- Roqqett Limited, an FCA-regulated open-banking platform provider, was acquired on 6 January 2023. It has two key licenses: an AISP (Account Information Service Provider) and a PISP (Payment Initiation Service Provider).

- Hamer and Hamer Limited, acquisition completed following FCA approval on 20 April 2023 of the entire ordinary share capital historically focused on the provision of international payments.

- Oonex S.A., a Belgian company, an authorised payment institution regulated by the National Bank of Belgium, was acquired on 4 July 2023. The acquisition enables the provision of Equals products into the European Economic Area (EEA). Oonex was subsequently renamed Equals Money Europe S.A. Its board now comprises Ian Strafford-Taylor (CEO), Stephen Paul (Deputy CFO), James Simcox (Chief Product Officer and MD of Europe) and Matthijs Boon (COO), along with two independent directors as required under Belgian regulations.

- The FX bureau business, with a predominantly B2C customer base, was sold on 14 March 2023 for an initial £250k with a further £100k subject to certain conditions being met.

TABLE 6 – ACQUISITIONS

	Total	Roqqett	Hamer & Hamer*	Oonex S.A.
Acquisition date		06.01.2023	20.04.2023	04.07.2023
	£'000s	£'000s	£'000s	£'000s
Cash paid at acquisition	**1,669**	169	1,500	-
Cash paid at acquisition for acquired liabilities	**2,461**	-	-	2,461
Cash paid post-acquisition	**335**	215	-	120
Total cash paid for acquisitions	**4,465**	384	1,500	2,581
Shares issued at acquisition	**3,190**	-	-	3,190
Shares issued post-acquisition	**500**	500	-	-
Total shares issued paid for acquisitions	**3,690**	500	-	3,190
Total cash paid and shares issued for acquisitions	**8,155**	**884**	**1,500**	**5,771**
Fair Value on shares issued	**694**	-	-	694
Performance assessed consideration thereon	**85**	35	-	50
Capitalised incidental expenses	**131**	131	-	-
Acquired liabilities payable in cash	**1,524**	-	-	1,524
Deferred consideration payable in cash**	**1,268**	500	768	-
Deferred consideration payable in shares	**810**	-	-	810
Total consideration transferred	**12,667**	**1,550**	**2,268**	**8,849**
Fair Value thereon	**2,413**	664	(30)	1,779
Deferred tax thereon	**978**	-	369	609
Total acquired	**16,058**	**2,214**	**2,607**	**11,237**
Goodwill	**9,930**	-	1,129	8,801
Other intangible assets:				
Open Banking Technology	**2,214**	2,214	-	-
Customer Relationships	**3,914**	-	1,478	2,436
Total intangibles acquired	**16,058**	**2,214**	**2,607**	**11,237**
Acquisition costs charged to P&L	***1,377***	*212*	*149*	*1,016*

***earn outs are payable on the 1st, 2nd and 3rd anniversaries of the acquisition if targets are met. The maximum earn out is £1.7 million over the three-year period.

**the final earnout for Casco acquired on 19 November 2019 of £509k is included in deferred consideration on the balance sheet date. This final earnout and the £500k due for Roqqett was paid by 31 March 2024. The remaining balance, which relates to Hamer & Hamer, has a gross value of £1.7 million and a fair value of £0.8 million is payable over three years from May 2024.

The transactions contributed to the Group's results as shown below:

	FY-2023 Roqqett	FY-2023 Hamer &	FY-2023 Oonex S.A.	**FY-2023 Total**
Date acquired/disposed	06.01.2023	20.04.2023	04.07.2023	
	£'000s	£'000s	£'000s	**£'000s**
Revenue	-	839	1,747	**2,586**
Gross Profits	-	736	975	**1,711**
Adjusted EBITDA	(495)	466	(368)	**(397)**

Depreciation Tangible fixed assets are depreciated over the anticipated useful life with a maximum of 60 months (other than leasehold improvements which is a maximum of 120 months).

TABLE 7 - DEPRECIATION

	FY-2023	FY-2022
	£'000s	£'000s
IFRS 16 depreciation	**692**	822
Other depreciation	**536**	389
	1,228	1,211

Guidance: Based upon the expenditure incurred to 31 December 2023, the depreciation charges for those assets in FY-2024 will be:

	£'000s
IFRS 16 depreciation	662
Other depreciation	450
	1,112

Amortisation

Intangible assets acquired on acquisition are amortised over their estimated useful lives, with a maximum of 60 months for brands and a maximum of 108 months for customer relationships. The charge to amortisation for the year can be analysed as follows**:**

TABLE 8 – COMPONENTS OF AMORTISATION CHARGES

	FY-2023	FY-2022
	£'000s	£'000s
Amortisation charge arising from the capitalisation of internally developed software in the following years:		
2018 and earlier	**545**	917
2019	**1,661**	1,661
2020	**893**	893
2021	**599**	576
2022	**791**	388
2023	**506**	-
	4,995	4,435
Amortisation charge for other intangibles	**381**	291
	5,376	4,726
Amortisation of acquired intangibles	**1,672**	1,282
Total amortisation charge	**7,048**	6,008

Guidance: Based upon expenditure to 31 December 2023, the amortisation charges for FY-2024 are expected to be:

	£'000s
Internally developed software	4,857
Other intangible assets	202
Acquired intangibles	1,718
	6,777

Operating result

The Group made a profit before taxation of £9.1 million for the year, compared to £3.4 million for FY-2022.

Taxation, incorporating R&D credits

The Group has recognised a net tax charge of £1.4 million (FY-2022: net tax credit £135k). At the balance sheet date, the Group estimates it has usable tax losses of £12.4 million.

TABLE 9 – BALANCE SHEET

This table shows a compressed 'balance sheet' for the Group.

		<u>31.12.2023</u>	<u>31.12.2022</u>
		£'000s	£'000s
Internally generated software – cost		**32,207**	26,001
Internally generated software – accumulated amortisation		**(18,407)**	(13,411)
		13,800	12,590
Other non-current assets (other than deferred tax)		**32,949**	18,558
IFRS 16 assets, less IFRS 16 liabilities		**(599)**	(830)
		46,150	30,318
Liquidity (per Table 11)		**17,803**	14,320
Trade debtors and accrued income		**6,503**	4,244
Prepayments		**1,789**	1,345
Deposits and sundry debtors		**196**	189
Working Capital Advances to Roqqett		**-**	830
Deferred Consideration Receivable from the sale of FX bureau		**100**	-
Inventory of card stock		**372**	292
Accounts payable		**(2,831)**	(2,069)
Affiliate commissions		**(3,135)**	(2,563)
PAYE and pension		**(1,023)**	(816)
Staff commissions and accrued bonuses		**(2,391)**	(1,690)
Acquired liabilities for Oonex S.A. outstanding at 31 December		**(1,519)**	-
Other accruals and other creditors		**(3,700)**	(1,937)
		12,164	12,145
Cash earn-out balances not paid*		-	(424)
Cash earn-out balances paid by 31.12.2023		-	(1,092)
Cash earn-out balances paid between 31.12.2023 and 15.04.2024:			
Casco		(509)	(509)
Roqqett (per Table 6)		(500)	-
Cash earn-out balances payable after 15 April 2024 attributable to Hamer & Hamer:			
- Gross amount which could be payable over 3 years	(1,700)		
- Fair value accounting adjustment	932		
		(768)	-
Net corporation and deferred tax		849	1,639
Net value of forward contracts*		358	827
		(569)	441
NET SHAREHOLDER FUNDS		**57,744**	42,904

At 31 December 2023, the Company has distributable reserves of £23,079k. This is equivalent to £0.12 per share.

**The 2022 cash earn-out balances not paid where performance assessed and subsequently credited back to the P&L in 2023*

***The gross value of the forwards book at 31st December 2023 was £315.3 million (31st December 2022: £253.3 million)*

Share capital

The number of shares in issue at 1 January 2023 was 180,712,473. This increased in the year through the exercise of 352,758 share options and 1,051,176 shares at nominal value were issued pursuant to the 2021 SIP. In addition, 3,938,294 shares were issued in pursuance to the acquisition of Oonex S.A. and 573,197 shares in pursuance to the acquisition of Roqqett. Thus, at the balance sheet date, there were 186,627,898 shares in issue. A further 1,000,000 shares were issued on 4 January 2024 pursuant to the acquisition of Oonex S.A.

The SIP held 1,719,296 shares at 31 December 2023.

Share options

At 1 January 2023, the Company had 16,141,058 options outstanding. 352,758 of these were exercised in 2023, 536,512 were cancelled and 165,760 were lapsed. On 6 November 2023, the Company announced Discretionary Share Incentive Plans for over 2,600,000 shares and 459,448 shares under the Company SIP. Thus, at the date of signing of these financial statements, there were 16,390,301 options, representing 8.74% of the issued share capital as at 15 April 2024.

At 15 April 2024, there were 16,390,301 share options yet to be exercised of which 7,222,800 had fully vested.

Earnings per share

Earnings per share are reported/calculated in accordance with IAS 33. For non-diluted, the result after tax is divided by the average number of shares in issue in the year. The average number of shares was 183,624,192 (FY-2022: 180,304,802).

The calculation of diluted EPS is based on the result after tax divided by the number of actual shares in issue (above) plus the number of options where the fair value exceeds the weighted average share price in the year. The fair value of options is measured using Black-Scholes and Monte-Carlo. It should be noted that in accordance with Accounting Standards, this calculation is based on fair value, not the difference between the market price at the end of the year or the weighted average price and the exercise price. The weighted average price was 99 pence (FY-2022: 84 pence), the number of options exceeding the fair value was 9,820,535 (FY-2022: 7,278,986).

The basic and diluted EPS are shown below:

	Basic FY-2023	**Basic** FY-2022	**Diluted** FY-2023	**Diluted** FY-2022
Earnings per share (in pence)	4.22	1.80	4.00	1.73

Adjusted earnings and adjusted EPS

	FY-2023	**FY-2022**
	£'000s	£'000s
P&L Attributable to owners of Equals Group PLC	**7,746**	3,236
Add back:		
- Share option charges	**1,447**	970
- Amortisation of acquired intangibles	**1,672**	1,282
- Exceptional items	**714**	-
- Acquisition costs	**1,377**	164
- Tax impacts thereon*	**183**	31
Adjusted earnings	**13,139**	**5,683**

**Tax impacts thereon are associated to items not added back to the tax computations relating to Exceptional items and Acquisition costs.*

The resulting earnings per share are shown below:

	Basic	Basic	Diluted	Diluted
	FY-2023	FY-2022	FY-2023	FY-2022
Adjusted earnings per share (in pence)	7.16	3.15	6.79	3.03

CASH STATEMENT

Exclusive of acquisitions and dividends, operational cash of £13.2 million (2022: £7.2 million) was generated during the year, a cash conversion rate of 64% over Adjusted EBITDA, compared to 60% for FY-2022.

The movement in the cash position is shown in the table below:

TABLE 10 - CASHFLOW	**FY-2023 £'000s**	**FY-2022 £'000s**
Adjusted EBITDA	**20,637**	**12,120**
R&D tax credits received via Roqqett acquisition	232	-
R&D tax credits received in cash	-	400
Lease payments (principal and interest)	(929)	(969)
Acquisition costs expensed through the income statement	(1,377)	(164)
Exceptional items	(714)	-
Internally developed software capitalised for R&D:		
- Staff	(5,653)	(4,191)
- IT Costs	(553)	(408)
Purchase of other intangible assets less disposals (Non-R&D)	(412)	(445)
Purchase of other non-current assets	(478)	(271)
Movement in working capital	(1,027)	1,147
"Operational cash inflows"	**9,726**	**7,219**
Funds from exercise of share options	97	193
Interim dividend payment	(928)	-
Net cash proceeds in Disposal of CGU	280	-
Earn-outs of acquisitions made in prior periods	(1,092)	(2,614)
Cash paid for acquisitions made in period (table 6)	(4,465)	-
Working capital loan made ahead of acquisition of Roqqett Limited	-	(830)
External funding repaid (CBILS)	-	(2,028)
NET CASHFLOWS	**3,618**	**1,940**
Balance at 1st January	15,044	13,104
Balance at 31st December	**18,662**	**15,044**
Cash per share	10.2 pence	8.3 pence

TABLE 11 - LIQUIDITY	**FY-2023**	**FY-2022**
	£'000s	£'000s
Cash at bank	18,662	15,044
Balances with liquidity providers	2,758	1,950
Pre-funded balances with card provider	1,912	1,491
Gross liquid resources	**23,332**	**18,485**
Customer balances not subject to safeguarding	(5,529)	(4,165)
	(5,529)	(4,165)
Net position	**17,803**	**14,320**

The Group’s principal banking and liquidity providers include Barclays, NatWest, Citibank, Crown Agents Bank, Blackrock, Valitor, Sucden and Velocity along with funds held at the Bank of England.

Richard Cooper
Chief Financial Officer
15 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	FY-2023 £'000s	FY-2022 £'000s
Revenue from currency transactions		**85,614**	63,541
Revenue from banking transactions		**8,350**	6,141
Revenue from Europe transactions		**1,747**	-
Revenue		**95,711**	69,682
Transaction and commission costs		**(43,385)**	(36,027)
Gross Profit		**52,326**	33,655
Administrative expenses		**(33,739)**	(22,576)
Depreciation charge		**(1,228)**	(1,211)
Amortisation charge		**(7,048)**	(6,008)
Acquisition expenses*[1]		**(1,377)**	(164)
Total operating expenses		**(43,392)**	(29,959)
Memo: Adjusted EBITDA*[2]	**H**	**20,637**	12,120
Operating profit	**A**	**8,934**	3,696
Gain on the sale of the Cash CGU	**E**	**380**	-
Finance cost		**(166)**	(280)
Profit before tax		**9,148**	3,416
Tax (charge) / credit	**B**	**(1,402)**	135
Profit after tax		**7,746**	3,551
Attributable to:			
Owners of Equals Group PLC		**7,746**	3,237
Non-controlling interest		**-**	314
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		**6**	-
Total comprehensive income for the year		**7,752**	3,551
Earnings per share	**C**		
Basic		**4.22p**	1.80p
Diluted		**4.00p**	1.73p

Notes:

Adjusted EBITDA is Operating profit or loss before: Depreciation, Amortisation, Impairments, Share option charges, and Separately reported items. All income and expenses arise from continuing operations.

*[1] *Acquisition costs represents and includes costs pursuant to acquisitions.*

*[2] *Adjusted EBITDA is not a GAAP measure and represents operating profit or loss before share option charges, depreciation, amortisation and separately reported items (exceptional items).*

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	2023 Group £'000s	2023 Company £'000s	2022 Group £'000s	2022 Company £'000s
ASSETS				
Non-current assets				
Property, plant and equipment	**1,120**	**-**	1,139	-
Right of use assets	**2,881**	**-**	3,367	-
Intangible assets (note F)	**22,232**	**-**	16,540	-
Goodwill	**23,397**	**-**	13,468	-
Deferred tax assets	**956**	**814**	1,831	1,368
Investments	**-**	**77,750**	-	62,902
	50,586	**78,564**	36,345	64,270
Current assets				
Inventories	**372**	**-**	292	-
Trade and other receivables	**13,431**	**1,398**	10,274	1,159
Derivative financial assets (note G)	**4,760**	**-**	5,616	-
Cash and cash equivalents	**18,662**	**509**	15,044	-
	37,225	**1,907**	31,226	1,159
TOTAL ASSETS	**87,811**	**80,471**	67,571	65,429
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	**1,866**	**1,866**	1,807	1,807
Share premium	**28,498**	**28,498**	53,405	53,405
Share-based payment reserve	**5,564**	**3,483**	3,231	2,397
Other reserves	**13,556**	**8,128**	8,609	3,187
Retained earnings / (accumulated losses)	**8,260**	**24,574**	(24,148)	1,038
Company loss in the year	**-**	**(1,719)**	-	(1,127)
	57,744	**64,830**	42,904	60,707
Non-current liabilities				
Lease liabilities	**2,730**	**-**	3,417	-
	2,730	**-**	3,417	-
Current liabilities				
Trade and other payables	**22,079**	**15,641**	15,489	4,722
Current tax liabilities	**106**	**-**	192	-
Lease liabilities	**750**	**-**	780	-
Derivative financial liabilities (note G)	**4,402**	**-**	4,789	-
	27,337	**15,641**	21,250	4,722
TOTAL EQUITY AND LIABILITIES	**87,811**	**80,471**	67,571	65,429

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP	Called up share capital	Share premium	Share-based payment	Retained earnings / (accumulated losses)	Other reserves	Total attributable to owners of Equals Group PLC	Non-controlling interest	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2022	**1,793**	**53,218**	**1,858**	**(24,590)**	**8,609**	**40,888**	**263**	**41,151**
Profit for the year	-	-	-	3,237	-	3,237	314	3,551
Acquisition of the remaining NCI	-	-	-	(2,902)	-	(2,902)	(577)	(3,479)
Share-based payment charge	-	-	924	-	-	924	-	924
Share options exercised in year	-	-	(107)	107	-	-	-	-
Shares issued in year	14	187	-	-	-	201	-	201
Movement in deferred tax on share-based payment reserve	-	-	556	-	-	556	-	556
At 31 December 2022	**1,807**	**53,405**	**3,231**	**(24,148)**	**8,609**	**42,904**	**-**	**42,904**
Profit for the year	-	-	-	7,746	-	7,746	-	7,746
Other comprehensive income:								
Exchange differences arising on translation of foreign operations	-	-	-	-	6	6	-	6
Other items:								
Share-based payment charge	-	-	1,419	-	-	1,419	-	1,419
Share options exercised in year	3	-	(333)	333	-	3	-	3
Shares issued in year	50	93	-	-	-	143	-	143
Shares issued in relation to Roqqett	6	-	-	-	494	500	-	500
Dividends paid in year	-	-	-	(928)	-	(928)	-	(928)
Share premium reduction scheme	-	(25,000)	-	25,000	-	-	-	-
Acquisition of Oonex fair value increase	-	-	-	-	3,844	3,844	-	3,844
Acquisition of Oonex deferred consideration	-	-	-	-	860	860	-	860
Oonex deferred consideration – non-payable	-	-	-	50	(50)	-	-	-
Transfer of Q-Money contingent liability	-	-	-	207	(207)	-	-	-
Movement in deferred tax on share-based payment	-	-	1,247	-	-	1,247	-	1,247
At 31 December 2023	1,866	28,498	5,564	8,260	13,556	57,744	-	57,744

COMPANY	Called up share capital	Share premium	Share-based payment	Retained earnings / (accumulated losses)	Other reserves	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2022	**1,793**	**53,218**	**1,580**	**931**	**3,187**	**60,709**
Loss for the year	-	-	-	(1,127)	-	(1,127)
Share-based payment charge	-	-	924	-	-	924
Share options exercised in year	-	-	(107)	107	-	-
Shares issued in year	14	187	-	-	-	201
At 31 December 2022	**1,807**	**53,405**	**2,397**	**(89)**	**3,187**	**60,707**
Loss for the year	-	-	-	(1,718)	-	(1,718)
Share-based payment charge	-	-	1,419	-	-	1,419
Share options exercised in year	3	-	(333)	333	-	3
Shares issued in year	50	93	-	-	-	143
Shares issued in relation to Roqqett	6	-	-	-	494	500
Dividends paid in year	-	-	-	(928)	-	(928)
Share premium reduction scheme	-	(25,000)	-	25,000	-	-
Acquisition of Oonex fair value increase	-	-	-	-	3,844	3,844
Acquisition of Oonex deferred consideration	-	-	-	-	860	860
Oonex deferred consideration - non-payable	-	-	-	50	(50)	-
Transfer of Q-Money contingent liability	-	-	-	207	(207)	-
At 31 December 2023	1,866	28,498	3,483	22,855	8,128	64,830

The following describes the nature and purpose of each reserve within owners' equity:

Share capital Amount subscribed for shares at nominal value.
Share premium Amount subscribed for shares in excess of nominal value, less directly attributable costs.
Share-based payment reserve Proportion of the fair value of share options granted relating to services rendered up to the balance sheet date.
Retained earnings / (accumulated losses) Cumulative profit and losses attributable to equity shareholders.

Other reserves comprise:

Merger reserve Arising on reverse acquisition from Group reorganisation.
Contingent consideration reserve Arising on equity based contingent consideration on acquisition of subsidiaries.
Foreign currency reserve Arising on translation of foreign operation.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	FY-2023 Group £'000s	***FY-2023 Company £'000s***	FY-2022 Group £'000s	*FY-2022 Company £'000s*
Profit / (Loss) before tax	**9,148**	**(1,166)**	3,416	(1,332)
Add: Cashflows from operating activities:				
Adjustments for:				
Depreciation	**1,228**	**-**	1,211	-
Amortisation	**7,048**	**-**	6,008	-
Impairment	**-**	**-**	-	-
Share-based payment charges	**1,419**	**-**	924	-
(Increase) / decrease in trade and other receivables*[1]	**(6,416)**	***1,867***	(9,920)	*(1,024)*
(Decrease) / Increase in trade and other payables*[2]	**(386)**	***3,604***	9,707	*3,086*
Decrease / (Increase) in derivative financial assets	**856**	**-**	(3,023)	-
(Decrease) / increase in derivative financial liabilities	**(387)**	**-**	2,707	-
Increase in inventories	**(80)**	**-**	(124)	-
Finance costs	**167**	***8***	280	*3*
	3,449	***5,479***	7,770	*2,065*
Net cash inflow	**12,597**	***4,313***	11,186	*733*
Tax receipts	**232**	**-**	400	-
Tax paid	**(345)**	**-**	(61)	-
NET CASHFLOWS FROM OPERATING ACTIVITIES	**12,484**	***4,313***	11,525	*733*
Cashflows from investing activities				
Acquisition of property plant and equipment	**(479)**	**-**	(271)	-
Acquisition of intangibles	**(6,618)**	**-**	(5,056)	-
Acquisition of subsidiary, net of cash acquired	**-**	***(2,976)***	-	-
Net cash used in investing activities	**(7,097)**	***(2,976)***	(5,327)	-
Cashflows from financing activities				
Repayment of borrowings	**-**	**-**	(2,000)	-
Principal elements of lease payments	**(786)**	**-**	(837)	-
Interest paid on finance lease	**(155)**	**-**	(169)	-
Other interest paid	**-**	**-**	(47)	*(3)*
Acquisition of the remaining non-controlling interest	**-**	**-**	(1,405)	*(930)*
Dividends paid	**(928)**	***(928)***	-	-
Proceeds from issuance of ordinary shares	**100**	***100***	200	*200*
Net cash outflow from financing activities	**(1,769)**	***(828)***	(4,258)	*(733)*
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,618**	***509***	1,940	-
Cash, and cash equivalents at 1 January	**15,044**	**-**	13,104	-
Cash, and cash equivalent at 31 December	**18,662**	***509***	15,044	-

[1] The movement in the deferred and current tax assets and the right-of-use asset balances (excluding the depreciation charge) is included within the movement in trade and other receivables.

[2] The movement in the deferred and current tax liabilities and the lease liability balances is included within the movement in trade and other payables.

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

A – OPERATING PROFIT IS STATED AFTER CHARGING:

	FY-2023 £'000s	FY-2022 £'000s
Staff costs:		
Commissions	**4,141**	3,864
Other pay and benefit elements	**22,411**	16,464
Training and recruitment	**1,114**	662
Vehicle leasing costs	**160**	154
Contractors	**2,398**	1,471
Costs gross of exceptional items	**30,224**	22,615
Less: incorporated in Transaction and commission	**(4,141)**	(3,864)
Less: amounts capitalised	**(5,653)**	(4,191)
Less: IFRS 16	**(160)**	(154)
Included in administrative expenses	**20,270**	14,406
IT, and telephone costs	**3,859**	2,420
Less: amounts capitalised	**(553)**	(408)
Included in administrative expenses	**3,306**	2,012
Professional and compliance fees		
Fees incurred on capital restructuring of the	**58**	-
Fees incurred on the strategic review*	**656**	-
Statutory audit costs	**493**	420
Other professional and compliance fees	**3,175**	1,464
Included in administrative expenses	**4,382**	1,884
Property costs		
Rents	**790**	785
Other property costs	**1,067**	911
	1,857	1,696
Less: IFRS 16	**(697)**	(763)
Included in administrative expenses	**1,160**	933
Travel and subsistence	**633**	442
Marketing	**2,565**	1,858
Other costs, including SIP and LTIP advisory fees	**117**	46
Included in administrative expenses	**3,315**	2,346
Sub-total, cash based expenditure	**32,433**	21,581
Share option charge	**1,419**	924
Foreign exchange loss	**346**	71
Contingent consideration charge	**(459)**	-
Sub-total, non-cash based costs	**1,306**	995
Total, administrative expenses	**33,739**	22,576
Add:		
Depreciation – right to use assets	**692**	822
Depreciation – property, plant, equipment	**536**	389
Amortisation charge (see table 5)	**7,048**	6,008
Acquisition costs	**1,377**	164
TOTAL OPERATING EXPENSES	**43,392**	29,959
**recorded as separately reported items.*	***714***	-

B. TAXATION

The Group's taxation charge or credit is the composite of:

1. Corporation tax credit arising on losses in the financial year,
2. R&D tax credits received or receivable on development expenditure (which is debited to the Balance Sheet),
3. Deferred taxation arising on temporary and permanent timing differences and losses carried forward, to the extent that the Company believes these to be recoverable from future taxable profits.

	FY-2023	FY-2022
	£'000s	£'000s
Corporation tax charge*	**259**	192
Current tax charge	**259**	192
Origination and reversal of temporary differences	**534**	(203)
Recognition of previously unrecognised deductible temporary differences – current year	**844**	(124)
Deferred tax – prior year adjustment	**(235)**	-
Deferred tax charge / (credit)	**1,143**	(327)
Total tax charge / (credit)	**1,402**	(135)

*Corporation tax charge is paid under quarterly instalments, £153k has been paid up to 31 December 2023 with the remainder £106k payable in January 2024 and April 2024.

As at 31 December 2023, the Group had tax losses available to be offset against future taxable profits of £12,384k (FY-2022: £17,632k). The losses can be carried forward indefinitely and have no expiry date.

In addition to corporation tax, the Group paid £5,341k in taxation during the year as follows:

a. Employers National Insurance contributions - £2,683k (FY-2022: £2,145k),
b. irrecoverable VAT - £2,658k (FY-2022: £1,584k)

Factors affecting tax credit for the year

The credit for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	FY-2023	FY-2022
	£'000s	£'000s
Profit before taxation: continuing operations	**9,148**	3,416
Taxation at the UK corporation rate tax of 23.5% (2022: 19.0%)	**2,150**	649
Net permanent differences between tax and accounting	**190**	78
Net taxation impact of R&D tax credit claim	**(897)**	(655)
Remeasure of deferred tax asset on carry-forward losses -current year	**844**	(124)
Remeasure of deferred tax asset on carry forward losses – prior year	**(235)**	-
Effect of change in tax rates	**194**	-
Utilisation of tax losses	**(844)**	(83)
	1,402	(135)

C. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. The profit after tax attributable to ordinary shareholders of the Group is £7,746k (2022: £3,236k) and the weighted average number of shares for the period was 183,624,192 (2022: 180,304,802).

Diluted earnings per share
The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares. The weighted average number of dilutive shares is 193,444,728 (2022: 187,583,788).

	Basic FY-2023	**Diluted FY-2023**	**Basic FY-2022**	**Diluted FY-2022**
Earnings per share	4.22p	4.00p	1.80p	1.73p
Adjusted earnings per share (note D)	7.16p	6.79p	3.15p	3.03p

D. ADJUSTED EARNINGS PER SHARE

The calculation of adjusted earnings per share has been based on the analyst community calculations, which takes profit or loss attributable to ordinary shareholders and excludes share option charges, amortisation on acquired intangibles, exceptional items, acquisition costs and tax on these items, and weighted average number of ordinary shares. The adjusted earnings after tax to ordinary shareholders of the Group is £13,139k (FY-2022: £5,683k) and the weighted average number of shares and diluted shares are as above.

E. GAIN ON THE SALE OF THE CASH CGU

On 14 March 2023, the Group sold the Travel Cash CGU for an initial £250k with a further £100k subject to certain conditions being met to Currency Exchange Corporation Ltd. The net gain has been recognised as follows:

Gain on the disposal of the Travel Cash CGU has been recognised as follows:

	£'000s
Net IFRS 16 lease liabilities of the CGU	115
Proceeds from the disposal consideration	350
Less: associated legal and supplier termination costs	(85)
Gain on disposal	**380**

F. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets comprise:

All in £'000s	Intangible assets recognised through acquisitions	Intangible assets acquired through internal capitalisation	Other intangible assets	**Total, 31 December 2023**	Total, 31 December 2022
Cost at 31.12.2022	8,946	26,001	2,118	**37,065**	37,065
Additions in year	6,128	6,206	412	**12,746**	
Cost at 31.12.2023	15,074	32,207	2,530	**49,811**	
Amortisation at 31.12.2022	(5,822)	(13,411)	(1,292)	**(20,525)**	(20,525)
Acquired through business combinations	(7)	-	-	**(7)**	
Amortisation in the year	(1,672)	(4,995)	(381)	**(7,048)**	
Amortisation at 31.12.2023	(7,501)	(18,406)	(1,673)	**(27,580)**	
Net Book Value at 31.12.2023	**7,573**	**13,801**	**857**	**22,231**	
Net book value at 31.12.2022	3,124	15,590	826		19,540

G. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The Group does not take house positions on foreign exchange contracts. Each contract with a customer is contemporaneously booked with a bank or liquidity provider. Under accounting standards however, the contracts need to be valued as both a 'purchase' and a 'sale'. The valuation of these contracts is done by a third party using information sourced from Hedgebook.

H. RECONCILIATION FROM OPERATING PROFT TO ADJUSTED EBITDA

	FY-2023 **£'000s**	FY-2022 £'000s
Operating profit	**8,934**	3,696
Add back:		
Depreciation	**1,228**	1,211
Amortisation	**7,048**	6,008
Acquisition expenses	**1,377**	164
Separately reported items	**714**	-
FX differences	**346**	71
Share Option charges	**1,419**	924
Other Share Option charges	**30**	46
Contingent Consideration	**(459)**	-
Adjusted EBITDA	**20,637**	12,120

- ENDS -